
NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED
SERVICE TERMS & CONDITIONS FOR THE PROVISION
OF ANCHOR PLANT CAPABILITY (DRZ)

1. GENERAL TERMS AND CONDITIONS/DEFINITIONS AND INTERPRETATION

- 1.1. The terms set out in this document, including its schedules, (these “**Service Terms & Conditions**”) and the Contract Form shall form the entire agreement between NGESO, the DNO and the AR Contractor regarding the provision of Anchor Plant Capability (this “**Agreement**”).
- 1.2. Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in the Contract Form, in paragraph 11.3 of the Connection and Use of System Code, the Glossary and Definitions section of the Grid Code, in Schedule 1 to these Service Terms & Conditions or the General Terms and Conditions shall have the same meanings where used in this Agreement.
- 1.3. The rules of interpretation set out in the General Terms and Conditions shall apply as if set out in full herein.
- 1.4. The AR Contractor acknowledges and agrees that where specific provisions of the Grid Code are expressly stated in these Service Terms & Conditions to apply, it shall comply with those provisions notwithstanding that it is not otherwise bound to comply with the Grid Code.

2. COMMENCEMENT

- 2.1. The provisions of this Agreement shall, subject to Clause 2.2, apply from the date stated on the front page of the Contract Form and, subject always to earlier termination in accordance with 156 (*Termination*), shall continue in force and effect until the expiry of the Service Term.
- 2.2. This Agreement, other than this Clause 2 and Clauses 17 (*Force Majeure*) to 33 (*Entire Agreement*), shall in all respects be conditional on the Conditions Precedent being satisfied by the AR Contractor or waived by NGESO by the CP Date.
- 2.3. The AR Contractor shall use all reasonable endeavours to ensure that the Conditions Precedent are satisfied as soon as possible after the date hereof and in any event by not later than the CP Date.
- 2.4. When each of the Conditions Precedent has been satisfied or (where permitted, as stated in the Contract Form) waived, the AR Contractor shall without delay give written notice to that effect to NGESO and the DNO. Such notices shall be conclusive and binding on the Parties as to the satisfaction or waiver thereof.
- 2.5. If any Condition Precedent has not been satisfied by the AR Contractor or waived by NGESO on or before the CP Date this Agreement shall (to the extent in force) cease to apply.

3. IMPLEMENTATION OF THE WORKS

- 3.1. The AR Contractor shall (at its own cost) implement and complete the Works in accordance with Good Industry Practice by the Scheduled Commercial Operations Date.
- 3.2. The AR Contractor shall, by not later than ten (10) Business Days following the end of each calendar month until the Commercial Operations Date has occurred (or more frequently on either Party’s request), provide to NGESO a progress report in writing setting out details of:

- 3.2.1. the progress of the Works by reference to the Project Plan, including progress in the delivery to site of plant and equipment required for the operation of the Contracted Anchor Plant and the installation of such plant and equipment and progress in obtaining all outstanding consents, permissions, approvals, licences, exemptions and other permits (in legally effectual form) as may be necessary for the operation of the Contracted Anchor Plant in accordance with the terms of this Agreement;
 - 3.2.2. the AR Contractor's proposals for remedying any delay or anticipated delay in implementing the Project Plan;
 - 3.2.3. the occurrence of any Delay Event and any adjustment (which shall, subject to NGESO's right to terminate under Clause 16.4, reflect the period of delay) to the Scheduled Commercial Operations Date; and
 - 3.2.4. any proposed revisions to the Project Plan necessary to reflect the above, and, subject to NGESO's approval (not to be unreasonably withheld or delayed) the revised Project Plan shall supersede the then current Project Plan, provided that any dispute concerning the occurrence or duration of a Delay Event and any related change to the Scheduled Commercial Operations Date may be referred by either NGESO or the AR Contractor by notice in writing to the other for determination by the Expert.
- 3.3. When the Works are substantially completed (including the installation and commissioning of all communications links to enable the AR Contractor to receive DR Instructions), the DZRP has been developed in accordance with Clause 4.5 and the Contracted Anchor Plant is capable in the AR Contractor's opinion of providing the Anchor Plant Capability in accordance with the Contracted Anchor Requirements, the AR Contractor shall notify the Companies in writing of the dates on which the Contracted Anchor Plant will be available for a Commissioning Assessment over the following period of thirty (30) days. The Parties shall use reasonable endeavours to ensure that the Commissioning Assessment is conducted as soon as possible and shall agree the date and time of the Commissioning Assessment, provided always that, although the Companies shall not unreasonably refuse to carry out a Commissioning Assessment at any time and date that may be requested by the AR Contractor, having regard to the cost implications, the Companies reserve the right to cancel any Commissioning Assessment previously agreed to be carried out. In such a case the Parties shall agree an alternative time and date when the Commissioning Assessment shall be carried out which shall be as soon as possible thereafter. The Companies shall be entitled to attend a Commissioning Assessment and any Party may request the Expert to be present at a Commissioning Assessment.
- 3.4. As soon as practicable after the date on which the Commissioning Assessment has been completed and in any event within five (5) Business Days, the Companies shall notify the AR Contractor whether the Contracted Anchor Plant has passed or failed the Commissioning Assessment. Any dispute as to whether the Commissioning Assessment has been passed or failed may be referred by any Party to the Expert for determination.

- 3.5. If the Contracted Anchor Plant has not successfully passed the Commissioning Assessment by the Scheduled Commercial Operations Date then, save to the extent due to a Delay Event, the AR Contractor shall pay to NGENSO, without deduction or set off, liquidated damages (“LADs”) at the LAD Rate with effect from the Scheduled Commercial Operations Date until and including the date on which the Contracted Anchor Plant successfully passes the Commissioning Assessment, provided always that such liquidated damages shall not in any event exceed the LAD Cap.
- 3.6. If at any time the aggregate amount of LADs paid or payable under Clause 3.5 is equal to the LAD Cap then, NGENSO shall have the right to terminate this Agreement by written notice to the AR Contractor and the DNO in accordance with Clause 16.2 (*Termination*).
- 3.7. For the purposes of Clause 3.5, LADs shall be payable by the AR Contractor to NGENSO on a monthly basis in accordance with Clause 10 (*Payment*) and the due date shall be ascertained accordingly.
- 3.8. If the Contracted Anchor Plant has not for any reason (including any Delay Event) successfully passed the Commissioning Assessment by the first anniversary of the Scheduled Commercial Operations Date (“**Review Date**”), NGENSO may request such additional evidence regarding the AR Contractor’s progress toward achieving the Commercial Operations Date as it may reasonably require and may further require that the Parties meet to consider in good faith whether there are reasonable prospects that the Commissioning Assessment will be passed within three (3) months after the Review Date. Once NGENSO considers that it is in possession of sufficient evidence, it shall, acting reasonably, make a determination and notify the AR Contractor in writing either:
- 3.8.1. that it (in its absolute discretion) considers there to be a reasonable prospect that the Commissioning Assessment will be passed within three (3) months after the Review Date, in which event this Agreement shall continue in full force and effect and the AR Contractor shall continue to take all steps necessary to¹ pass the Commissioning Assessment within that three (3) months period; or
 - 3.8.2. that it (in its absolute discretion) considers there is no reasonable prospect that the Commissioning Assessment will be passed within three (3) months after the Review Date,

and NGENSO shall have the right to terminate this Agreement by written notice to the AR Contractor and the DNO in accordance with Clause 16 (*Termination*) if it gives notice under Clause 3.8.1 and the Commissioning Assessment is not achieved within three (3) months after the Review Date or if it gives notice under Clause 3.8.2.

- 3.9. The remedies prescribed in this Clause 3 shall be NGENSO’s sole and exclusive remedies with respect to any failure of the Contracted Anchor Plant to pass
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successfully a Commissioning Assessment by the Scheduled Commercial Operations Date.

3.10. The AR Contractor shall:

- 3.10.1. to the extent applicable, comply with the provisions of Schedule 5 (*Security*) in relation to the implementation of the Works and the provision of Anchor Plant Capability; and
- 3.10.2. take reasonable steps (in accordance with Good Industry Practice) to procure that no aspect of the Works is sourced or ultimately derived from any Sanctioned Person and that no aspect of providing Anchor Plant Capability otherwise involves a Sanctioned Person.

4. WORKS CONTRIBUTION PAYMENTS

4.1. The Parties acknowledge that, where the Contract Form specifies that no Works, other than a Commissioning Assessment, are required for the purposes of enabling the AR Contractor to provide Anchor Plant Capability no Works Contribution Payment is payable in respect of the Works and that the provisions of this Clause 4 and all provisions relating to the payment of a Works Contribution Payment or a Works Contribution Refund Payment shall not apply.

4.2. Subject to receipt by NGESO of Acceptable Security for the Security Amount and subject to that security remaining in full effect, NGESO shall, by reference to each Works Contribution Period, pay to the AR Contractor an amount ("**Works Contribution Payment**") in respect of the Internal Costs and External Costs incurred by the AR Contractor in that Works Contribution Period, subject to receipt from the AR Contractor of invoices that:

4.2.1. itemise Internal Costs and External Costs separately;

4.2.2. to the extent relating to External Costs, do not exceed, when aggregated with all other External Costs so invoiced, the External Costs Cap and are supported by copy invoices from the relevant third party contractors and such other evidence of having been incurred as NGESO may reasonably require save to the extent that the AR Contractor is unable, having used reasonable endeavours, to obtain such evidence from the relevant third party contractors, suppliers and/or service providers; and

4.2.3. to the extent relating to Internal Costs, do not exceed, when aggregated with all other Internal Costs so invoiced, the Internal Costs Cap and include a description which is reasonably satisfactory to NGESO of that part of the Works to which such invoice relates and is supported by such other evidence as NGESO may reasonably require,

provided always that, in each case, the invoiced sums shall be limited to reasonable costs which have been reasonably incurred and which the AR Contractor shall have used its reasonable endeavours to mitigate.

4.3. Following receipt of any invoice in respect of the Works submitted by the AR Contractor in accordance with Clause 4.2, NGESO shall, as soon as reasonably practicable thereafter, notify the AR Contractor and provide a reason where NGESO determines (acting reasonably) that such invoice does not meet the requirements

- of Clause 4.1 and the AR Contractor shall submit a replacement invoice that does meet those requirements as soon as reasonably practicable thereafter.
- 4.4. Each invoice meeting the requirements of Clause 4.1 shall be paid by NGENSO within forty two (42) days after receipt.
 - 4.5. The Parties shall, together with any other relevant Restoration Contractor, develop and agree the DRZP for the Distribution Restoration Zone. The occurrence of the Commercial Operations Date shall in all respects be conditional on a DZRP having been developed.
 - 4.6. The AR Contractor acknowledges that it should not over-recover its costs where a Works Contribution Payment has been made to fund all or part of the Anchor Plant Capability, and the AR Contractor seeks to provide a Balancing Service or other similar service to the DNO or a third party (otherwise than pursuant to existing contractual obligations) using any part of the Funded Capability. Accordingly, it is hereby agreed that the AR Contractor will not offer terms to NGENSO for provision of any Balancing Service or offer terms to the DNO or a third party for the provision of a similar service using any part of the Funded Capability during any period prior to the Expiry Date without first seeking to agree in writing with NGENSO an appropriate reduction in the Availability Price for the duration of any resulting contract reflecting the proportion of the capital cost of the Funded Capability. NGENSO shall, as soon as reasonably practicable following receipt of a written request from the AR Contractor, meet with the AR Contractor to discuss an appropriate reduction, and each of NGENSO and the AR Contractor shall use reasonable endeavours to agree on such appropriate reduction in the Availability Price within such period as is required to allow the AR Contractor to offer terms to NGENSO with respect to the relevant Balancing Service or offer terms to the DNO or a third party for the provision of a similar service. If no such agreement can be concluded, then NGENSO and the DNO each reserves the right to decline to contract with the AR Contractor for any Balancing Service or similar service provided from any part of the Funded Capability.
 - 4.7. If NGENSO and the AR Contractor have agreed in writing prior to the date of this Agreement, the basis on which the AR Contractor may use Funded Capability to provide Balancing Services or other similar services to the DNO or a third party, the AR Contractor may provide Balancing Services or other similar services to the DNO or a third party on the basis of that agreement.
 - 4.8. NGENSO shall be entitled to call upon the security provided to it in accordance with Clause 4.1 if (and to the extent that): -
 - 4.8.1. an Annual Availability Shortfall Payment has become payable under this Agreement and has not been paid by the AR Contractor in accordance with Clause 10.1.3;
 - 4.8.2. a Works Contribution Refund Payment has become payable under this Agreement and has not been paid by the AR Contractor in accordance with Clause 16.3;
 - 4.8.3. LADs have become payable under this Agreement and have not been paid by the AR Contractor in accordance with Clause 3.5; or

- 4.8.4. other equivalent Acceptable Security of the required amount has not been put in place within the time periods provided for in this Clause 4. Where the security has been called for this reason, NGESO shall repay the amount so called when the AR Contractor puts in place the appropriate replacement security.
- 4.9. If any bank or banks being the issuer of a bond or letter of credit shall suffer at any time a change of rating so as to fall below that required of a Rated Bank the AR Contractor shall forthwith on the AR Contractor becoming aware of such occurrence notify NGESO and within twenty (20) Business Days of the AR Contractor becoming aware of such change of rating provide to NGESO a replacement bond or letter of credit from a Rated Bank on the same terms as to amount and expiry date as the security being replaced or equivalent Acceptable Security. For the avoidance of doubt any such change of rating shall not during such period of twenty (20) Business Days constitute a breach under this Agreement, provided that the replacement security shall be provided, and from the date of its provision the security which it replaces shall be released by NGESO.
- 4.10. Where the form of Acceptable Security is a parent company guarantee and the AR Contractor has elected in the Contract Form that this Clause 4.10 shall apply, the AR Contractor shall procure that:
- 4.10.1. the Guarantor's auditor shall as soon as reasonably practicable following the end of each financial year of the Guarantor in which the parent company guarantee remains in force, certify (the "**Auditor's Certificate**") the net asset value on a consolidated basis of the Guarantor, by reference to the Guarantor's most recent annual audited financial statements; and
- 4.10.2. the Guarantor's finance director shall as soon as reasonably practicable following the end of the second quarter in each of the Guarantor's financial years in which the parent company guarantee remains in force, certify (the "**FD's Certificate**") the net asset value on a consolidated basis of the Guarantor, by reference to the Guarantor's half-year unaudited financial statements,
- and if:
- 4.10.3. the AR Contractor shall fail to procure: (i) the Auditor's Certificate by not later than six (6) months after the end of a financial year of the Guarantor; or (ii) the FD's Certificate by not later than one (1) month after the end of the second quarter in a financial year of the Guarantor (in either case, the "**Due Date**"); or
- 4.10.4. the net asset value of the Guarantor stated in the Auditor's Certificate or the FD's Certificate (as the context requires) is less than the Guarantor Minimum NAV,
- the AR Contractor shall within twenty (20) Business Days following the Due Date or the date of issue of the Auditor's Certificate or the FD's Certificate (as the context requires) provide to NGESO Acceptable Security to replace such parent company guarantee.
- 4.11. Where the Acceptable Security provided by the AR Contractor is a parent company guarantee and the AR Contractor has elected in the Contract Form that this Clause

4.11 shall apply, the AR Contractor shall procure that, if the Guarantor shall suffer at any time a change of rating so as to fall below the Guarantor Minimum Credit Rating, the AR Contractor shall forthwith on becoming aware of such occurrence notify NGENSO and within twenty (20) Business Days of the AR Contractor becoming aware of such change of rating provide to NGENSO a replacement for such parent company guarantee comprising another form of Acceptable Security.

- 4.12. Where the AR Contractor's Acceptable Security is time limited, the AR Contractor must replace it at least forty five (45) days prior to expiry. If the AR Contractor fails to so replace the Acceptable Security, NGENSO shall be entitled to make a claim for an amount equal to the Security Amount.
- 4.13. The AR Contractor shall on reasonable notice to NGENSO be entitled to request the substitution of any Acceptable Security with any other Acceptable Security. Subject to NGENSO's consent (not to be unreasonably withheld or delayed) and on such replacement Acceptable Security being put in place, NGENSO shall release the Acceptable Security first provided. The AR Contractor may provide different security instruments to NGENSO at any time, each securing a different amount, provided that the number of security instruments does not exceed six at any time, that the aggregate sum secured is equal to the Security Amount and that the security otherwise constitutes Acceptable Security.

5. SERVICE TERM

- 5.1. The AR Contractor shall, subject to the development and agreement of the DRZP in accordance with Clause 4.5, make the Contracted Anchor Plant Available with effect on and from the Commercial Operations Date and, subject to earlier termination of this Agreement in accordance with Clause 16 (*Termination*) or extension in accordance with Clause 5.2, until the Expiry Date (the "**Service Term**").
- 5.2. If the provisions of this Agreement shall not by then have terminated, not later than twelve (12) months prior to the end of the Service Term (or any Extended Term agreed under this Clause), the Parties shall meet to discuss whether the Service Term should be extended and if so the duration of such extension (an "**Extended Term**") and the terms (including prices) upon which the Contracted Anchor Plant shall continue to be made Available by the AR Contractor, provided always that no extension may be agreed for a period which, either alone or when aggregated with any other period of extension, shall exceed five (5) years. Unless the Service Term is further extended under this Clause or this Agreement it shall by then have terminated, this Agreement shall terminate automatically without notice at the end of an Extended Term.

6. ANCHOR PLANT AVAILABILITY

- 6.1. The AR Contractor shall, throughout the Service Term, fuel, operate, maintain and repair the Contracted Anchor Plant in accordance with Good Industry Practice with a view to making the Contracted Anchor Plant available to deliver Anchor Plant

Capability in accordance with DR Instructions and in accordance with the Contracted Anchor Requirements (“**Available**”).

- 6.2. Without prejudice to Clause 6.1 the AR Contractor shall ensure that the Contracted Anchor Plant is able to:
 - 6.2.1. immediately commence the procedure to Start-up the Contracted Anchor Plant from shutdown with or without an external electricity supply;
 - 6.2.2. within the time to connect specified in the Contracted Anchor Requirements energise the DRZ in accordance with the DRZP;
 - 6.2.3. when a block load is connected to the Contracted Anchor Plant, respond so that the Frequency of the power island should not fall below the minimum or above the maximum Frequency specified in the Contracted Anchor Requirements and that the Frequency of the power island is restored to within statutory limits (above 49.5 Hz and, to the extent possible, below 50.5 Hz) within ten (10) seconds maintaining stable operation thereafter pending connection of the next block load;
 - 6.2.4. operate within the loading restrictions set out in the Contracted Anchor Requirements and accept loading instructions issued by the DNO in accordance with the loading procedures specified in the DZRP;
 - 6.2.5. achieve and maintain a power output equal to the level specified in the DRZP (or such lesser power output as may be instructed by the DRZ Control System) within the loading period specified in the Contracted Anchor Requirements, assuming loading is achieved by the connection of demand blocks in accordance with the above requirements;
 - 6.2.6. provide Reactive Power within the range set out in the Contracted Anchor Requirements;
 - 6.2.7. provide fast-acting frequency control as set out in the Contracted Anchor Requirements;
 - 6.2.8. accept block loads and de-loads whilst restoring frequency of the power island in accordance with the limits set out in the Contracted Anchor Requirements;
 - 6.2.9. operate in voltage control mode as instructed by the DNO or specified in the DRZP; and
 - 6.2.10. start-up and recommence all or part of the DRZP if the Anchor Plant becomes disconnected.
- 6.3. The AR Contractor shall notify NGESO and the DNO by facsimile or other electronic means approved from time to time by NGESO, in the form set out in Schedule 6 if at any time the Contracted Anchor Plant will be Unavailable (“**Notification of Unavailability**”). The AR Contractor shall further notify (“**Restoration Notice**”) NGESO and the DNO by facsimile or other electronic means approved from time to time by NGESO, in the form set out in Schedule 6 once the Availability of the Contracted Anchor Plant has been restored specifying the time and date of such restoration. If the Contracted Anchor Plant is Unavailable by reason of an Event of Default, the Restoration Notice shall include a brief explanation as to the reason for such Event of Default. Any such notification shall be made by Control Telephony as

provided for in CC/ECC.6.5 of the Grid Code or Electronic Data Communication Facilities as provided for in CC/ECC.6.5.8 of the Grid Code.

- 6.4. Promptly following receipt of a Restoration Notice, NGESO may inform the AR Contractor that it wishes to conduct a test (a “**Reproving Assessment**”) in order to verify such restoration of Availability and, in respect thereof, the relevant provisions of Clause 11 (*Testing*) shall apply. The Contracted Anchor Plant shall then be treated as Unavailable from the date of NGESO’s notice until the date on which the Contracted Anchor Plant successfully passes a Reproving Assessment.
- 6.5. If NGESO fails to notify the AR Contractor in accordance with Clause 6.4 that it wishes to carry out a Reproving Assessment then the Availability of the Anchor Plant shall be treated as restored with effect from the time set out in the Restoration Notice and the Monthly Availability Payments shall become payable with effect from such time and date.
- 6.6. The AR Contractor may temporarily revise the Contracted Anchor Requirements with the prior written consent of NGESO and the DNO if the Contracted Anchor Plant is not capable of achieving the Contracted Anchor Requirements in full.
- 6.7. The Companies shall notify the AR Contractor if at any time the DRZP is not operational as a consequence of insufficient Top Up Restoration Capability being available for the purposes of implementing the DRZP [as determined by the DRZ Control System]. The Companies shall notify the AR Contractor once the availability of the Top Up Restoration Capability has been restored and the DRZP is once more operational.
- 6.8. The AR Contractor shall, prior to the commencement of each Availability Assessment Period, notify NGESO and the DNO in writing by such means as they may reasonably require of the dates and times of all planned maintenance and inspection periods applicable to the Contracted Anchor Plant (“**Maintenance Plan**”) for the forthcoming Availability Assessment Period. The AR Contractor may propose modifications to the Maintenance Plan from time to time during the Availability Assessment Period on no less than twenty-eight (28) days notice. The Maintenance Plan shall not, subject to Clause 6.10, exceed the maximum number of days of planned outages specified for the relevant Availability Assessment Period in the table set out in Part 7 of the Contract Form (*Target Availability*).
- 6.9. Within fourteen (14) days of the AR Contractor’s notification of the Maintenance Plan or any modification thereto under Clause 6.8, NGESO and the DNO shall notify the AR Contractor of their agreement with or objections to the Maintenance Plan or any modification thereto and, if neither NGESO nor the DNO shall make a notification within such time, it shall become binding on the Parties. The Parties shall act in good faith and use reasonable endeavours to resolve any objections notified by NGESO and/or the DNO taking into account maintenance practices consistent with Good Industry Practice and the Maintenance Plan shall be amended accordingly.
- 6.10. If NGESO, in its absolute discretion, agrees to any additional number of outage days, for the purposes of Clause 8.3, those additional outage days shall not be included for the purposes of calculating the Annual Availability Shortfall Payment.

7. DR SERVICE INSTRUCTION AND DELIVERY

- 7.1. For the purposes of an Electricity System Restoration, the DNO shall, on receipt of an Emergency Instruction from NGENSO under OC9 of the Grid Code to activate the DRZP, issue instructions (“**DR Instructions**”) to the AR Contractor either manually or automatically through the Distribution Restoration Zone Control System and in accordance with the DRZP, which may include the following instructions:
 - 7.1.1. to Start-up the Contracted Anchor Plant, without an external electricity supply;
 - 7.1.2. to connect or synchronise the Contracted Anchor Plant to the Distribution Restoration Zone;
 - 7.1.3. to maintain a specific voltage;
 - 7.1.4. to accept block loads; and/or
 - 7.1.5. to operate in frequency sensitive mode.
- 7.2. The AR Contractor shall comply with the DNO’s DR Instructions for initiation and implementation of the DRZP, so that, in the event of an Electricity System Restoration, the Contracted Anchor Plant:
 - 7.2.1. is able to start-up from shutdown and to energise a part of and/or be synchronised to the Local Distribution Network, within the time specified in the Contracted Anchor Requirements, without an external electrical supply;
 - 7.2.2. provides the output required under the DRZP;
 - 7.2.3. is capable of achieving a controlled shutdown and performing a start-up at least three times; and
 - 7.2.4. otherwise complies with DR Instructions in accordance with the Anchor Plant Capability.
- 7.3. The AR Contractor shall continue to comply with all DR Instructions from the DNO until the operation of the DRZP is terminated in accordance with OC9 of the Grid Code.
- 7.4. The DNO shall be entitled to connect the Contracted Anchor Plant to the Distribution Restoration Zone Control System and the AR Contractor shall for that purpose provide access to its site on reasonable notice. The AR Contractor must at its own cost and expense provide all necessary data feeds to the Distribution Restoration Zone Control System.
- 7.5. Each of the Parties agrees to participate at its own cost and in good faith in all meetings of the DRZ Operational Working Group, including any review of the DRZP and its operation.

8. SERVICE FEES AND REBATES

- 8.1. With effect from the Commercial Operations Date, NGENSO shall pay a monthly payment (“**Monthly Availability Payment**”) calculated by reference to the number of Settlement Periods in the Month in which the Contracted Anchor Plant was

Available and the Availability Price in accordance with Schedule 3, Part I (*Availability Payments and Availability Rebates*).

- 8.2. NGESO shall be entitled to apply an Availability Rebate in the circumstances specified in Schedule 2 (*Events of Default and Consequences*).
- 8.3. If in any Availability Assessment Period the Actual Availability of the Contracted Anchor Plant falls below the Target Availability, the AR Contractor shall pay an Annual Availability Shortfall Payment.
- 8.4. If the Actual Availability of the Contracted Anchor Plant falls below the Minimum Availability in any two consecutive Availability Assessment Periods then, at NGESO's discretion:
 - 8.4.1. the AR Contractor shall pay an Annual Availability Shortfall Payment; or
 - 8.4.2. NGESO may terminate this Agreement in accordance with Clause 16.2.
- 8.5. For the purposes of calculating the Actual Availability of the Contracted Anchor Plant in any Availability Assessment Period, NGESO shall not take into account any periods of planned outage that it has agreed (in its absolute discretion) in accordance with Clause 6.10 may be taken by the Contracted Anchor Plant in addition to the periods specified in the table set out in Part 7 of the Contract Form during the relevant Availability Assessment Period.
- 8.6. [If an Electricity System Restoration is implemented, the AR Contractor may seek to recover costs incurred in connection with DR Instructions as Avoidable Costs (as defined in the BSC) under section G (*Contingencies*) of the BSC.]

9. SAFETY AND INSURANCE

- 9.1. NGESO and the DNO acknowledge that any decision to operate the Contracted Anchor Plant outside its safe operating parameters is one for the AR Contractor alone, and accept that the AR Contractor may change generation or flow on the Contracted Anchor Plant if it believes it is necessary for safety reasons (whether relating to personnel or Plant or Apparatus).
- 9.2. The responsibility for injury to personnel and damage to Plant and Apparatus owned and/or operated by the AR Contractor caused by operation of the Contracted Anchor Plant in an Electricity System Restoration therefore rests with the AR Contractor and neither NGESO nor the DNO shall have any liability whatsoever in connection therewith.
- 9.3. The AR Contractor shall indemnify and keep indemnified NGESO and the DNO in respect of liability for death or personal injury and/or damage to Plant and Apparatus owned and/or operated by NGESO or the DNO (as the context requires) and arising out of or in connection with such operation of the Contracted Anchor Plant outside of its safe operating parameters save to the extent that:
 - 9.3.1. such death or personal injury and/or damage to Plant and Apparatus is caused by the negligent act or omission or default of NGESO or the DNO; and
 - 9.3.2. the AR Contractor has operated the Contracted Anchor Plant in accordance with Good Industry Practice.

- 9.4. The AR Contractor shall insure for public liability risks arising from its operation of the Contracted Anchor Plant with a reputable insurer with a minimum value of ten million pounds Sterling (£10,000,000) for each and every claim.
- 9.5. The AR Contractor acknowledges and agrees that, for the purposes of Clause 9.3, references to NGESO shall include the Transmission Owner and that, in addition to NGESO, the Transmission Owner shall be entitled to enforce Clause 9.3.

10. PAYMENT

- 10.1. In respect of each calendar month (“**Relevant Month**”) during the Service Term and by no later than expiry of the second calendar month which follows, NGESO shall send to the AR Contractor a statement (“**Monthly Statement**”) setting out its calculation of:-
 - 10.1.1. the Monthly Availability Payment payable by NGESO to the AR Contractor pursuant to clause 8.1;
 - 10.1.2. any Availability Rebates payable by the AR Contractor to NGESO pursuant to clause 8.2;
 - 10.1.3. (where relevant) any Annual Availability Shortfall Payment due by the AR Contractor;
 - 10.1.4. any adjustments made to previous Monthly Statements; and
 - 10.1.5. the resulting net amount due to (or from, as the case may be) the AR Contractor.
- 10.2. If the AR Contractor disagrees with the content of the Monthly Statement, it may notify NGESO in writing, with evidence upon which it relies in support of such disagreement, no later than the date falling ten (10) Business Days after receipt thereof, but in the absence of any such notification by such date, the Monthly Statement shall be final and binding on the Parties subject only to Clause 10.3.
- 10.3. Where a disagreement is notified by the AR Contractor pursuant to Clause 10.2, NGESO and the AR Contractor shall discuss and endeavour to resolve the same in good faith, and any revisions to a Monthly Statement agreed as a result thereof shall be reflected in a revised Monthly Statement, which shall promptly be issued by NGESO. In the absence of agreement, the Monthly Statement shall be binding upon the Parties until such time as otherwise agreed in writing between the Parties or as may otherwise be determined by an Expert following a referral by either Party to an Expert for determination, and which in each case shall be reflected in a revised Monthly Statement which shall promptly be issued by NGESO.
- 10.4. Where, having regard to any results of any other monitoring by NGESO of service delivery, NGESO or the AR Contractor discovers that some or all of any calculations and/or amounts falling due shown in any Monthly Statement are incorrect, then it shall promptly notify the other in writing whereupon NGESO shall, at its discretion, revise the Monthly Statement and re-issue the same to the AR Contractor, and the provisions of Clauses 10.2 and 10.3 shall apply mutatis mutandis to such revised Monthly Statement.

- 10.5. In the absence of fraud, neither NGESO nor the AR Contractor may invoke the provisions of Clause 10.4, with respect to the contents of any Monthly Statement (including any revised Monthly Statement) after the period of twelve (12) months has elapsed following submission of the original Monthly Statement in which the calculations and/or amounts in question were first stated, after which date such calculations and/or amounts shown in the last Monthly Statement (including any revised Monthly Statement) issued by NGESO shall be final and conclusive.
- 10.6. No later than the eighteenth (18th) Business Day of the second Month following the Relevant Month, NGESO will issue a self-billing invoice (or credit note) reflecting the Monthly Statement issued pursuant to Clause 10.1 (as may have been revised pursuant to the foregoing provisions), and no later than five (5) Business Days after such date of issue NGESO shall pay to the AR Contractor (or the AR Contractor shall pay to NGESO, as the case may be) the net amount shown as due from NGESO to the AR Contractor (or from the AR Contractor to NGESO, as the case may be) in that Monthly Statement (or revised Monthly Statement).
- 10.7. All payments shall be made in pounds sterling by direct bank transfer or equivalent transfer of immediately available funds to the other Party's bank account, details of which shall be as notified by each Party to the other from time to time in accordance with these Service Terms & Conditions. If either Party (the "Defaulting Party") fails to pay any amount properly due under these Service Terms on the due date then the Defaulting Party shall pay to the other Party interest on such overdue amount at the Enhanced Rate from the date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 10.8. If by virtue of the foregoing provisions, it is determined or agreed that:-
 - 10.8.1. the AR Contractor was entitled to a further payment from NGESO, then the AR Contractor shall be entitled to interest at the Base Rate on the amount of such further payment from the due date until the date of actual payment;
or
 - 10.8.2. the AR Contractor was not entitled to any payment it has received,
then NGESO shall be entitled to interest at the Base Rate on such amount from the date of payment by NGESO until the date of repayment by the AR Contractor (or, as the case may be, until the date when NGESO makes a payment to the AR Contractor pursuant to Clause 10.6 against which such amount is offset).
- 10.9. All amounts specified falling due and payable pursuant to these Service Terms & Conditions shall be exclusive of any Value Added Tax or other similar tax and NGESO shall pay to the AR Contractor Value Added Tax at the rate for the time being and from time to time properly chargeable in respect of the making available and/or provision of the Service Terms & Conditions.
- 10.10. Sums payable by one Party to the other pursuant this Clause 10 whether by way of charges, interest or otherwise, shall (except to the extent permitted by these Service Terms & Conditions or otherwise required by any Legal Requirement) be paid in full, free and clear of and without deduction, set-off or deferment in respect of any disputes or claims whatsoever provided that either Party shall be entitled to

set off any payment due and payable by the other Party under this Clause 10 against any payment it makes to that Party under this Clause 10.

10.11. The AR Contractor agrees that NGENSO shall maintain a self-billing system whereby each Monthly Statement shall constitute a self-billing invoice for VAT purposes. Accordingly, NGENSO and the AR Contractor shall enter into a self-billing agreement in accordance with VAT legislation and published guidance from HM Revenue and Customs from time to time, and agree to comply with all relevant requirements in relation to self-billing, and for such purpose the AR Contractor hereby warrants and undertakes to NGENSO that:-

10.11.1. it is registered for VAT and will inform NGENSO forthwith if it ceases to be so registered or changes its VAT registration number;

10.11.2. it will account to HM Revenue and Customs for the VAT paid by NGENSO pursuant to Clause 10.9; and

10.11.3. it will not issue its own VAT invoices.

11. TESTING

11.1. Subject always to the provisions of this Agreement, the AR Contractor shall:

11.1.1. following written notice to NGENSO under Clause 3.3 and not later than the Scheduled Commercial Operations Date, carry out a Commissioning Assessment in order to verify that the Contracted Anchor Plant is capable of providing the Anchor Plant Capability in accordance with the Contracted Anchor Requirements;

11.1.2. on written notice to NGENSO and not later than the third anniversary of the Commercial Operations Date, carry out a test (a “**Capability Assessment**”) in order to verify the Availability of the Contracted Anchor Plant, provided always that not more than one Capability Assessment will be required to be undertaken by the AR Contractor in any period of thirty-six (36) calendar months;

11.1.3. on written notice from NGENSO under Clause 6.4, undertake a Reprising Assessment in order to verify the restoration of Availability. The scope of a Reprising Assessment shall in each case have regard to the nature and extent of the circumstances which gave rise to the Contracted Anchor Plant being Unavailable and shall be discussed and agreed with the AR Contractor (such agreement not to be unreasonably withheld or delayed). Without limiting the foregoing, a Reprising Assessment may include the monitoring of the normal operation of the Contracted Anchor Plant.

Test Procedure - Preparatory

11.2. In respect of each Test, NGENSO, the DNO and the AR Contractor shall use all reasonable endeavours to agree, no later than four (4) clear Settlement Days before the day on which the Test is due to be conducted, the parameters and procedures for the conduct of the Test (“**Test Parameters and Procedures**”), such agreement to be recorded in the form of a side letter. If no such agreement is reached by such date and NGENSO, acting reasonably, determines that such failure is due to the default of the AR Contractor, then without prejudice to any other provision of this Agreement no Monthly

Availability Payments shall accrue due to the AR Contractor from such date until the date when such agreement is finally reached.

11.3. The Test Parameters and Procedures shall comprise those matters necessary to meet the objectives referred to in Clause 11.1.1 (Commissioning Assessment), 11.1.2 (Capability Assessment) and 11.1.3 (Reproving Assessments), as applicable, and shall be consistent therewith, and shall in each case include (without limitation):

- 11.3.1. the identity of each Genset;
- 11.3.2. the proposed start time and end time for the Test Period, each determined in accordance with Clause 11.4;
- 11.3.3. a proposed running profile, for each of the Gensets during the Test which meet the requirements of Clause 11.4.

Test Period

11.4. The start time and end time of a Test Period referred to in Sub-Clause 11.3.2 shall, unless otherwise agreed by the Parties in writing, be determined as follows:

11.4.1. in the case where the running profile comprised within the Test Parameters and Procedures indicates the Gensets being Synchronised in any Settlement Periods in the twelve hour period immediately prior to commencement of the Test Period:

- (a) the start time shall be one hour prior to the time indicated in the running profile for the Genset to commence De-Loading in preparation for Desynchronisation; and
- (b) the end time shall be one (1) hour after the time indicated in the running profile by which the Genset shall have achieved an Output equal to its scheduled level;

11.4.2. if the running profile comprised within the Test Parameters and Procedures indicates the Gensets not being Synchronised in any Settlement Period in the twelve hour period immediately prior to commencement of the Test Period:

- (a) the start time shall be one (1) hour prior to the time indicated in the running profile for the opening of the final circuit breaker connecting the Power Station to the National Electricity Transmission System or User System (as the case may be) in preparation for the Synchronisation of the Gensets; and
- (b) the end time shall be one (1) hour after the time indicated by the running profile for the Gensets to achieve an Output equal to the scheduled level.

11.5. Once agreed by the Parties in accordance with Clause 11.2, the Test Parameters and Procedures may subsequently be revised by agreement in writing of the Parties (not to be unreasonably withheld or delayed) but not so as to fall outside of the Test Period.

Test Procedure - Conduct

11.6. Where NGENSO or the AR Contractor reasonably considers that any Test, other than a Repeating Assessment, would result in it incurring exceptional costs or (in the case of NGENSO only) the safety or security of the System being compromised, it may notify the other Party of the cancellation of such Test, in which event the Parties shall agree a new time for the conduct of such Test and Clauses 11.2 to 11.5 and this Clause 11.6 shall apply. Where the AR Contractor unreasonably withholds or delays such agreement, NGENSO may specify a time for the conduct of such Test on no less than one hundred and sixty eight (168) hours' notice.

Notices

11.7. The AR Contractor shall use such telephone and facsimile numbers (or the address for such other electronic means approved from time to time by NGENSO) as may be notified to it by NGENSO from time to time for the purposes of notices to be given or confirmed pursuant to this Clause 11.

Test - Costs

11.8. The AR Contractor, NGENSO and the DNO shall each bear its own costs incurred in conducting any Commissioning Assessment, Capability Assessment or Repeating Assessment under this clause 11 save where the AR Contractor fails such Test, in which event the AR Contractor shall, in addition to bearing its own costs, reimburse to NGENSO and the DNO their respective reasonable resource costs (other than costs incurred in connection with reconfiguring the National Electricity Transmission System or the Local Distribution Network) and expenses reasonably incurred as a direct result thereof. Additionally, the AR Contractor shall reimburse to NGENSO and the DNO all of their respective reasonable costs reasonably incurred as a direct result of a Repeating Assessment conducted either following an Event of Default or following failure by the AR Contractor of a previous Repeating Assessment.

Disputes

11.9. If a bona fide dispute arises relating to the performance of the Contracted Anchor Plant or the results of a Commissioning Assessment, Capability Assessment or a Repeating Assessment, NGENSO, the DNO and the AR Contractor shall, following notice in writing issued by either of them to the other attempt to resolve the dispute by discussion, and if they fail to reach agreement within twenty (20) Business Days of that notice, the AR Contractor may require a further Test. If the AR Contractor passes such further Test, it shall be deemed to have passed the first Test. If the AR Contractor fails such further Test and a dispute arises in respect of that further Test, then the Parties shall attempt to resolve the dispute by discussion but if they fail to reach agreement within three (3) Business Days of the commencement of such discussion either NGENSO or the AR Contractor may refer the matter to the Expert for determination. The Contracted Anchor Plant shall not be treated as failing any Assessment if the

AR Contractor has given Notification of Unavailability pursuant to Clause 6.3 either:-

- 11.9.1. before the notice of the relevant Test is given in accordance with Clause 11.1; or
- 11.9.2. after the notice of the relevant Test is given in accordance with Clause 11.1 in respect of matters which the AR Contractor can reasonably demonstrate arose after the giving of such notice.

Forced Cooling

- 11.10. If during any Test relating to a power generating facility, a Genset at the Power Station is required to be Shutdown, any forced cooling of that Genset undertaken by the AR Contractor shall be at its own cost.

Restrictions on Tests

- 11.11. NGESO may not require a Test during periods when the Contracted Anchor Plant is not Available by reason of: -
 - 11.11.1. a planned maintenance and/or inspection period agreed pursuant to the Grid Code;
 - 11.11.2. an event or circumstance of Force Majeure;
 - 11.11.3. Notification of Unavailability in accordance with Clause 6.3; or
 - 11.11.4. the terms of this Agreement (including Clauses 6.4 and Schedule 2 (*Events of Default and Consequences*)).

Damage to Plant and Apparatus

- 11.12. Each Party shall bear the risk of, and the other Parties shall have no liability to that Party in respect of, loss and damage to that Party's Plant and/or Apparatus caused during or as a result of any Test (whether due wholly or partly to the other Party's default or to the malfunction of its Plant or Apparatus or otherwise).

12. MONITORING AND METERING

- 12.1. Without prejudice to any existing right of NGESO to monitor and meter the provision of any Ancillary Service, NGESO and the DNO by agreement with the AR Contractor (not to be unreasonably withheld or delayed) may monitor and/or meter the Anchor Plant Capability of the Contracted Anchor Plant and its ability to meet the Contracted Anchor Requirements. The AR Contractor shall for such purposes provide to NGESO all metering and monitoring data required under the Grid Code, including (without limitation):
 - 12.1.1. Frequency (Hz);
 - 12.1.2. Voltage (kV);
 - 12.1.3. Availability (Available/Unavailable);
 - 12.1.4. Active Power output (MW);
 - 12.1.5. Reactive Power output (MVAR);

- 12.1.6. For Contracted Anchor Plant comprising wind turbines, wind speed forecasts and observations (ms-1) and wind direction forecasts and observations (degrees); and
- 12.1.7. For Contracted Anchor Plant comprising hydro-electric plant, the upper reservoir limits.
- 12.2. The AR Contractor shall provide all data referred to in Clause 12.1 through data links agreed between NGESO and the DNO and otherwise comply with all operational metering requirements set out or referred to in the Grid Code.
- 12.3. NGESO and/or the DNO shall be entitled to visit the AR Contractor's site on reasonable notice to conduct investigations of the Contracted Anchor Plant in order to verify compliance by the AR Contractor with its obligations under this Agreement.

13. INSPECTIONS AND ASSURANCE VISITS

Inspections

- 13.1. To enable the Companies to verify that the Contracted Anchor Plant has Anchor Plant Capability and that it can meet the Contracted Anchor Requirements, the AR Contractor shall permit NGESO to inspect such parts of the Contracted Anchor Plant as it may reasonably require (in each case upon giving to the AR Contractor not less than two Business Days' prior written notice) provided that such inspection shall be carried out without undue interference with the normal operation of the Contracted Anchor Plant.

Assurance Visits

- 13.2. Without prejudice to, and in addition to, NGESO's right to carry out inspections in accordance with Clause 13.1 the AR Contractor shall, subject to Clause 13.3, not more than once in any calendar year and on receipt of not less than one hundred and sixty eight (168) hours prior notice, provide NGESO or the DNO (the "**Requesting Party**") access to the Contracted Anchor Plant for the purposes of ascertaining to its reasonable satisfaction that the AR Contractor has, in accordance with Good Industry Practice, implemented at the Contracted Anchor Plant appropriate technical, training and documentation procedures (an "**Assurance Visit**"). Assurance Visits shall be carried out without undue interference with the normal operation of the Contracted Anchor Plant.
- 13.3. Following receipt of any notice under Clause 13.2, the AR Contractor may propose to the Requesting Party an alternative time and date for the Assurance Visit, provided that any such alternative time and date shall not be later than twenty eight (28) days following the time and date specified by the Requesting Party in its notice, and (at its option) the Requesting Party may agree to such alternative time and date. In the event that the AR Contractor unreasonably delays the Assurance Visit beyond the time and date being twenty eight (28) days after the time and date for the Assurance Visit specified by the Requesting Party in its notice, then no Monthly Availability Payments shall accrue to the AR Contractor in respect of the period commencing at the time and date for the Assurance Visit specified in the notice from the Requesting Party and ending upon completion of an Assurance Visit.
- 13.4. In relation to any Assurance visit, the AR Contractor shall permit the Requesting Party to be accompanied by either NGESO or the DNO (as the context requires).

- 13.5. If any dispute arises in relation to an inspection or Assurance Visit, then the Parties shall attempt to resolve the dispute by discussion but if they fail to reach agreement within three (3) Business Days of the commencement of discussions either Party may refer the matter to the Expert for determination.

14. COMMUNICATIONS

- 14.1. [NGESO and the DNO shall comply with the Data Exchange Protocol in respect of communications, including back-up communications facilities in relation to the Anchor Plant Capability.]
- 14.2. Any communications required by these Service Terms & Conditions to be given in writing shall, unless otherwise provided, be made and deemed to have been received in accordance with Clause 26 (*Notices*), save as may be otherwise agreed by the Parties.
- 14.3. The Parties consent to the recording of all telephone conversations between them relating in whole or in part to these Service Terms & Conditions, and each Party agrees to notify its employees of that consent and obtain their consent to that recording if required by any Legal Requirement.

15. CHANGES TO OTHER DOCUMENTS

- 15.1. The Parties agree to negotiate in good faith and use all reasonable endeavours to agree amendments to this Agreement in light of:
- 15.1.1. any changes to a Legal Requirement or industry documentation (including without limitation the Electricity Act 1989, any Licence, the Balancing and Settlement Code, the Grid Code, the Distribution Code, the Connection and Use of System Code, the Connection Agreement and/or the relevant Bilateral Connection Agreement); or
- 15.1.2. the implementation of any new Legal Requirement,
- resulting, in either case, in a material change to the manner of provision of Anchor Plant Capability by the AR Contractor and/or the basis of payments made to or by NGESO under this Agreement, such amendments to have the effect so far as reasonably practicable of making the provision of Anchor Plant Capability by the AR Contractor and/or (as the case may be) the basis of payments to or by NGESO under this Agreement no more or less favourable to the respective Party as was the case before such variations took effect (ignoring all payments made to the AR Contractor otherwise than pursuant to this Agreement which, as a result of the changes to industry documentation as referred to above, shall cease to be payable to the AR Contractor or are otherwise varied).
- 15.2. Failing agreement in respect of the matters contained in Clause 15.1, within thirty (30) days of a Party notifying the other Party that it intends to refer a matter to the Expert, that Party shall have the right to invoke the provisions of Clause 27 (*Dispute Resolution*).

16. TERMINATION

- 16.1. A Party shall have the right to terminate this Agreement in the circumstances set out in paragraph 8.1 of the General Terms and Conditions as if paragraphs 8.1 and 8.2 were set out in this Agreement in full, save that the references to paragraphs

9.3 (*Service Failure*) and 10.4 (*Force Majeure*) of the General Terms and Conditions shall not be applicable.

- 16.2. Without prejudice to Clause 16.1, NGESO may in its absolute discretion terminate this Agreement with immediate effect by notice in writing to the AR Contractor in the following circumstances:-
- 16.2.1. where the provisions of Schedule 2 so provide (*Events of Default and Consequences*);
 - 16.2.2. in the circumstances described in Clause 3.6;
 - 16.2.3. in the circumstances described in Clause 3.8;
 - 16.2.4. in the circumstances described in Clause 8.4.2;
 - 16.2.5. in the circumstances described in Clause 21.5; or
 - 16.2.6. if, in respect of any Availability Assessment Period, the number of Settlement Periods in which the Contracted Anchor Plant was Unavailable due to Force Majeure exceeded 75% of the Settlement Periods in that Availability Assessment Period.
- 16.3. If this Agreement is terminated by NGESO in accordance with this Clause 16.1 NGESO shall be entitled to payment by the AR Contractor of a Works Contribution Refund Payment calculated in accordance with Schedule 3, Part III.
- 16.4. NGESO shall, in addition to its other rights under this Clause 16, have the right to terminate this Agreement if any other agreement for the provision of services for Electricity System Restoration as part of the same DZRP is terminated.

17. FORCE MAJEURE

- 17.1. In so far as any Party is prevented from performing any of its obligations under this Agreement due to an event or circumstance of Force Majeure, then the rights and obligations of the Parties shall be suspended for as long as and to the extent that the circumstance of Force Majeure prevents such performance. For the avoidance of doubt:
- 17.1.1. the AR Contractor shall not be entitled to any Monthly Availability Payment and NGESO shall not be entitled to any Availability Rebate to the extent that the Contracted Anchor Plant is Unavailable by reason of Force Majeure;
 - 17.1.2. the Parties agree that they shall not be relieved from their obligations under this Agreement by reason of events or circumstances commencing prior to the last date specified in the Tender for Tender Submissions and continuing as at that date including restrictions introduced by any Competent Authority in relation to Coronavirus and the Coronavirus Disease; and
 - 17.1.3. the Parties further agree that they shall be relieved from their obligations under this Agreement to the extent that they are unable to perform them by reason of any further restrictions or guidance introduced by any Competent Authority in relation to Coronavirus and the Coronavirus Disease on or after the date on which the AR Contractor submitted its Tender Submission.

- 17.2. A Party affected by Force Majeure shall give to the other Parties immediately upon becoming aware of an event or circumstance of Force Majeure, a written notice describing the Force Majeure (including, without limitation, the nature of the occurrence and its expected duration) and the obligations which it is prevented from performing and shall continue to furnish regular reports with respect thereto to the other Parties during the period of Force Majeure.
- 17.3. As soon as is reasonably practicable, following an event or circumstance of Force Majeure, the Parties shall discuss how best to continue their respective obligations as set out in this Agreement.
- 17.4. For the avoidance of doubt the non-performance of any Party's obligations pursuant to this Agreement arising prior to the event or circumstance of Force Majeure, shall not be excused as a result of the event or circumstance of Force Majeure.

18. NO ANNOUNCEMENT

- 18.1. The AR Contractor agrees that, except as provided in Clause 22.2, it shall not make any public announcement or statement regarding the subject matter of this Agreement and/or the status of the Contracted Anchor Plant and this Clause shall continue to bind the AR Contractor after termination or expiry of this Agreement for whatever reason.

19. LIABILITY, INDEMNITY AND INSURANCE

- 19.1. Subject to Clause 11.12 and Clause 19.2, and save where any provision of these Service Terms provides for an indemnity, the Parties acknowledge and agree that no Party nor any of its officers, employees or agents shall be liable to another Party for loss arising from any breach of the Agreement other than for loss directly resulting from such breach and which at the date of formation of the Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
- 19.1.1. physical damage to the property of the other Party, its officers, employees or agents; and/or
- 19.1.2. the liability of such other Party to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other Party should be mitigated in accordance with general law,
- and provided further that the liability of any Party in respect of all claims for the losses referred to in this Clause 19.1 shall not exceed the Liability Cap per incident or series of related incidents.
- 19.2. Nothing in these Service Terms & Conditions shall exclude or limit the liability of any Party for death or personal injury resulting from the negligence of that Party or any of its officers, employees or agents, and each Party shall indemnify and keep indemnified the other Parties, their officers, employees and agents from and against all such and any loss or liability which such other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of that Party or its officers, employees or agents.

- 19.3. Subject to Clause 19.2, and save where any provision of these Service Terms provides for an indemnity, no Party nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to another Party for:
- 19.3.1. any loss of profit, loss of revenue, loss of use, loss of data, loss of contract or loss of goodwill; or
 - 19.3.2. any indirect or consequential loss; or
 - 19.3.3. loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in Clauses 19.1.2 and 19.2.
- 19.4. Without prejudice to Clause 9.4 the AR Contractor shall insure with a reputable insurance company for (and on request provide evidence to each Company of) such insurances as required by law and necessary for the safe and efficient performance of the Agreement and to cover the liabilities set out in Clause 19.43. Where possible the AR Contractor shall add the Companies as a named party on its insurance policies.
- 19.5. Not used
- 19.6. The AR Contractor's liabilities under the Agreement shall not be deemed to be released or limited by the AR Contractor taking out the insurance policies referred to in Clause 19.4.

20. RECORDS AND AUDITS

- 20.1. The AR Contractor shall keep proper and accurate records of all matters relating to the performance of its obligations under this Agreement.
- 20.2. The records shall be maintained in a form suitable for audit purposes and shall be retained for any period required by any Legal Requirement, and in any event, for the term of the Agreement and for a period of no less than seven (7) years after termination of the Agreement where such records contain or relate to financial data and/or contract data.
- 20.3. Each Company, or a reputable independent third-party auditor nominated by it, may, on reasonable notice to the AR Contractor and during normal working hours, inspect and review the records for the purposes of verifying the AR Contractor's compliance with its obligations under the Agreement and/or to meet any other audit or information requirement that may be required by any Legal Requirement.
- 20.4. The AR Contractor shall co-operate fully and promptly with any such audit and/or inspection conducted by a Company and provide such reasonable assistance as may be required by that Company in relation to any audit.
- 20.5. The AR Contractor shall ensure that all paperwork issued by or on behalf of the AR Contractor to each Company (including, without limitation, invoices, correspondence and delivery notes), is complete, accurate and clearly references any other appropriate and necessary information.

21. ASSIGNMENT

- 21.1. Save as provided for in Clause 21.2 and Clause 21.3, this Agreement is personal to the Parties and no Party shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations under the Agreement without the prior written consent of the other Parties (such consent not to be unreasonably withheld, conditioned or delayed).

- 21.2. Each Company may assign or transfer the benefit and/or burden of this Agreement or any other rights and/or obligations pursuant to these Service Terms and to a successor Licence holder.
- 21.3. The AR Contractor may with the prior consent of NGENSO (such consent not to unreasonably be withheld or delayed):
- 21.3.1. assign or charge its benefit under this Agreement in whole or in part by way of security; or
 - 21.3.2. upon disposal of any part of the AR Contractor's business comprising the Contracted Anchor Plant, the AR Contractor may transfer its rights and obligations under this Agreement to the purchaser thereof.
- 21.4. If ownership, occupancy or use (for the purpose of providing the Anchor Plant Capability) of the site at which a Contracted Anchor Plant is located changes, or may change, during the term of the Agreement, the AR Contractor shall immediately notify the Companies of the same. Each Company and the AR Contractor shall if required, and at the reasonable request of each Company discuss the implications of the change and the options available to minimise any disruption that may be caused by the change.
- 21.5. Each Company may terminate the Agreement in accordance with Clause 16.2 if a Change in Ownership of the AR Contractor occurs and the new owner of the AR Contractor fails to meet any of a Company's reasonable due diligence checks as notified to the AR Contractor.

22. CONFIDENTIALITY

- 22.1. Each Company may disclose information relating to this Agreement under obligations within its Licence, the Grid Code, the Connection and Use of System Code, the Distribution Code, the Fuel Security Code or as otherwise required or permitted by the Authority or as expressly stated in this Agreement to be permitted under this Clause. It shall not be a breach of this Clause 22 where a Company discloses any such information.
- 22.2. No Party shall be prohibited from issuing or making any public announcement or statement to the extent expressly permitted or if it is necessary to do so in order to comply with any Legal Requirement or the regulations of any recognised stock exchange upon which the share capital of such Party is from time to time listed or dealt in.
- 22.3. Save as permitted by Clause 22.1, each Party shall treat as strictly confidential and shall not disclose any Confidential Information relating to the other Parties received or obtained as a result of entering into or performing this Agreement. The restrictions imposed by this Clause 22.3 shall not apply to the disclosure of any Confidential Information:
- 22.3.1. which is in or becomes part of the public domain otherwise than as a result of a breach of Clause 22.3, or which a Party can show was in its written records prior to the date of disclosure of the same by another Party, or which it received from a third party independently entitled to disclose it;
 - 22.3.2. which is required to be disclosed by law, an industry code or pursuant to any licence of the Party concerned;
 - 22.3.3. to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing Party is a party;

- 22.3.4. to any parent, subsidiary or fellow subsidiary undertaking on a “need to know” basis only. In this Clause 22.3.4, the words “parent”, “subsidiary” and “undertaking” shall have the meanings as provided in sections 1159, 1161 and 1162 of the Companies Act 2006;
- 22.3.5. by the AR Contractor to any owner and/or operator of relevant plant and apparatus to the extent necessary to enable the AR Contractor to provide the Anchor Plant Capability pursuant to these Service Terms and fulfil its obligations under this Agreement.
- 22.4. Save as permitted by Clause 22.1, no Party shall use the name, brands and/or logos of another Party for any purpose without that other Party’s prior written approval (such approval not to be unreasonably withheld or delayed).

23. INTELLECTUAL PROPERTY RIGHTS

- 23.1. The provisions of paragraph 14 of the General Terms and Conditions shall apply to all Intellectual Property Rights (as defined in the General terms and Conditions) owned by or licensed to either Party as if set out in full herein.

24. DATA PROTECTION

- 24.1. The provisions of paragraph 15 of the General Terms and Conditions shall apply in respect of Data Protection Law as if set out in full herein.

25. MODERN SLAVERY, ANTI-BRIBERY AND LIVING WAGE

- 25.1. The provisions of paragraph 16 of the General Terms and Conditions shall apply as if set out in full herein.

26. NOTICES

- 26.1. Paragraph 17 of the General Terms and Conditions shall apply to any notice required to be submitted as if set out in full herein.
- 26.2. For the purposes of Clause 26.1, the contact details and addresses of each Party shall be those set out in Part 8 of the Contract Form or as otherwise notified from time to time by that Party to the other Parties.

27. DISPUTE RESOLUTION

- 27.1. The Parties shall use good faith efforts to resolve any operational issue, dispute, claim or proceeding arising out of or relating to this Agreement.
- 27.2. In the event that a dispute cannot be resolved within thirty (30) days of written notice of the dispute, the dispute shall be escalated to the Parties’ senior representatives (named in the Contract Form, or as otherwise notified by each Party to the other) who have authority to settle the same or may refer the dispute to mediation.
- 27.3. If thirty (30) days following such an escalation the relevant Parties have still not resolved the dispute, then a relevant Party shall have the right to refer the dispute to either:
 - 27.3.1. Arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time; or
 - 27.3.2. (where these Service Terms provide for the dispute to be referred to an Expert) an Expert for determination.

- 27.4. For the avoidance of doubt, Clauses 27.2 and 27.3 shall not preclude a Party from raising arbitration proceedings in the event a claim is considered to be nearing the end of a prescription and/or limitation period pursuant to the Limitation Act 1980.

Arbitration

- 27.5. Where any dispute is referred in accordance with Clause 27.3.1 to arbitration, the following provisions shall apply:

- 27.5.1. The seat of arbitration shall be London;
- 27.5.2. The number of arbitrators shall be one. Where no arbitrator is named or where the named arbitrator is not able or is unwilling to act the appointer of the arbitrator (and of any replacement) shall be The President of the Electricity Arbitration Association;
- 27.5.3. Whatever the nationality, residence or domicile of a Party and wherever the dispute or difference or any part thereof arose, the laws of England and Wales shall be the proper law of any reference to arbitration, and in particular (but not so as to derogate from the generality of the foregoing) the rules and provisions of the Arbitration Act 1996 (notwithstanding anything in Section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted;
- 27.5.4. For the avoidance of doubt, the Parties confirm and agree that nothing in the agreement to arbitrate prevents a Party:
- 27.5.4.1. challenging the award of an arbitral tribunal as provided for under the Arbitration Act 1996;
- 27.5.4.2. seeking the remedy of specific performance or any other power or remedy that would be available to the English court from the arbitral tribunal in accordance with the Arbitration Act 1996;
- 27.5.4.3. seeking interim relief from the English court under the Arbitration Act 1996, or from any other court with competent jurisdiction; or
- 27.5.4.4. seeking to enforce any arbitral award in the English court or any court of competent jurisdiction.
- 27.5.5. Without prejudice to any other mode of service allowed under any relevant law, if the AR Contractor is not incorporated in any part of Great Britain, the AR Contractor agrees that if it does not have, or shall cease to have, a place of business in Great Britain it will promptly appoint, and shall at all times maintain, an agent for the service of process in Great Britain to accept service of process on its behalf in any proceedings commenced in support of, or in relation to arbitration, in the courts of England and Wales.

Expert determination

- 27.6. Where any dispute is referred in accordance with Clause 27.3.2 to an Expert for determination, the following provisions shall apply:

- 27.6.1. the Expert shall act as an expert and not as an arbitrator and shall decide those matters referred to them using their skill, experience and knowledge, and with regard to all such other matters as they in their sole discretion considers appropriate;
- 27.6.2. if the Parties cannot agree upon the selection of an Expert, the Expert shall be determined by the President for the time being of the Law Society of England and Wales;

- 27.6.3. all references to the Expert shall be made in writing by each Party with notice to the others (as relevant) being given contemporaneously, and the Parties shall promptly supply the Expert with such documents and information as they may request when considering any referral;
- 27.6.4. the Expert shall be requested to use their best endeavours to give their decision upon the question before them as soon as possible in writing following its referral to them, their decision shall, in the absence of fraud or manifest error, be final and binding upon the Parties;
- 27.6.5. if the Expert wishes to obtain independent professional and/or technical advice in connection with the question before them:
 - 27.6.5.1. the Expert shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
 - 27.6.5.2. the Expert may engage such advisor with the consent of the Parties (which consent shall not be unreasonably withheld or delayed) for the purposes of obtaining such professional and/or technical advice as they may reasonably require;
- 27.6.6. the Expert shall not be held liable for any act or omission, and their written decision will be given without any liability on the Expert's part to any Party, unless it shall be shown that they acted fraudulently or in bad faith;
- 27.6.7. save to the extent otherwise expressly provided herein pending the determination by the Expert, this Agreement shall continue to the extent possible for the Parties to perform their obligations; and
- 27.6.8. the Expert shall at their discretion be entitled to order that the costs of the reference of a dispute to them shall be paid by the Parties in whatever proportions they think fit.

28. GOVERNING LAW AND JURISDICTION

- 28.1. Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with this Agreement or its enforceability shall be governed by and construed in accordance with the laws of England and Wales.

29. SEVERANCE

- 29.1. The provisions of paragraph 19 (*Severance*) of the General Terms and Conditions shall apply as if set out in full herein.

30. THIRD PARTY RIGHTS

- 30.1. Save where expressly stated otherwise, this Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.
- 30.2. The rights of the Parties to rescind or vary this Agreement are not subject to the consent of any other person.

31. NO AGENCY OR PARTNERSHIP

- 31.1. The provisions of paragraph 21 of the General Terms and Conditions shall apply as if set out in full herein.

32. WAIVER

- 32.1. The provisions of paragraph 22 of the General Terms and Conditions shall apply as if set out in full herein.

33. ENTIRE AGREEMENT

- 33.1. The Contract Form, these Service Terms & Conditions and the documents referred to in them (the “**Relevant Documents**”) together constitute the entire agreement and understanding of the Parties relating to the matters contemplated by the Relevant Documents and supersede any previous drafts, agreements, understandings or arrangements between any of the Parties relating to the subject matter of the Relevant Documents, which shall cease to have any further effect.

34. EMR

- 34.1. Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in this Agreement, the AR Contractor consents to NGENSO and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection this Agreement for the purpose of carrying out its EMR Functions.

- 34.2. For the purposes of this Clause 344 only:-

- 34.2.1. “**AF Rules**” has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;
- 34.2.2. “**Capacity Market Rules**” means the rules created pursuant to section 34 of the Energy Act 2013 as modified from time to time in accordance with The Electricity Capacity Regulations 2014;
- 34.2.3. “**EMR Functions**” has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013; and
- 34.2.4. “**EMR Document**” means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time.

SCHEDULE 1

Service Term Definitions

<p>“Acceptable Security”</p>	<p>means security in the form of:</p> <ul style="list-style-type: none"> i. a first demand, without proof or conditions, irrevocable performance bond and in terms reasonably satisfactory to NGESO issued by a Rated Bank payable in Sterling in London; or ii. an irrevocable standby letter of credit and in terms reasonably satisfactory to NGESO issued by a Rated Bank payable in Sterling in London; iii. a cash deposit in Sterling in an Escrow Account; iv. a parent company guarantee and in terms and from an issuer reasonably satisfactory to NGESO; or <p>such other form of security acceptable to NGESO and in terms reasonably satisfactory to NGESO;</p>
<p>“Act”</p>	<p>the Electricity Act 1989;</p>
<p>“Active Power”</p>	<p>has the meaning given to it in the Grid Code;</p>
<p>“Actual Availability”</p>	<p>in relation to an Availability Assessment Period, means the percentage of Settlement Periods in the Availability Assessment Period in which the Contracted Anchor Plant was Available;</p>
<p>“Agreement”</p>	<p>has the meaning given to it in Clause 1.1;</p>
<p>“Ancillary Service”</p>	<p>has the meaning given to it in the Grid Code;</p>
<p>“Anchor Plant”</p>	<p>has the meaning given to that term in the Grid Code;</p>
<p>“Anchor Plant Capability”</p>	<p>the ability of the Contracted Anchor Plant to Start-Up from Shutdown and to energise and maintain a part of the Total System upon instruction from NGESO, within two hours, without an external electrical power supply from the Total System and including</p>

	the obligations of the AR Contractor contained in Clause 6.2 in addition to and without prejudice to the AR Contractor’s obligations under the Grid Code with regard to an Electricity System Restoration;
“Anchor Restoration Contractor” or “AR Contractor”	the party identified in the Contract Form as the owner of the Contracted Anchor Plant;
“Annual Availability Shortfall Payment”	a sum calculated in accordance with Schedule 3, Part II;
“Assurance Visit”	has the meaning give to it in Clause 0;0
“Authority”	The Gas and Electricity Markets Authority;
“Availability Assessment Period”	a period of twelve consecutive calendar months commencing on the Commercial Operations Date or an anniversary of the Commercial Operations Date;
“Availability Price”	the price specified in Part 6 of the Contract Form;
“Availability Rebate”	an amount calculated in accordance with Schedule 3, Part 1 to be paid by the AR Contractor to NGESO in the circumstances set out in Schedule 2 (<i>Events of Default and Consequences</i>);
“Available”	in relation to the Contracted Anchor Plant, has the meaning given to it in Clause 6.1 and the terms “Availability” and “Unavailable” shall be construed accordingly;
“Balancing and Settlement Code”	has the meaning given to it in the Transmission Licence;
“Balancing Service”	has the meaning given to that term in the Transmission Licence;
“Base Rate”	The Bank of England Official Rate from time to time;
“Bilateral Connection Agreement”	has the meaning given to it in the CUSC;
“Business Day”	a week-day other than a Saturday or a Sunday on which banks are open for domestic business in the City of London;
“Business Hours”	between 9:00 am and 5:00 pm on a Business Day;
“Capability Assessment”	has the meaning given to it in Clause 11.1;
“Commercial Operations Date”	means the day after the date on which NGESO notifies the AR Contractor that the

	Contracted Anchor Plant has passed the Commissioning Assessment in accordance with Clause 3.4;
“Commissioning Assessment”	the commissioning testing of the Anchor Plant to be undertaken in accordance with a procedure to be developed by NGESO and the DNO and agreed by the Parties and summarised in Schedule 4 (<i>Commissioning Assessment – Summary</i>);
“Companies”	means, taken together, NGESO and the DNO;
“Competent Authority”	means the Authority or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which have jurisdiction over NGESO or the AR Contractor or the subject matter of this Agreement;
“Conditions Precedent”	means the conditions set out in Part 1 of the Contract Form;
“Confidential Information”	any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, customers and/or suppliers of a Party (and/or any its Affiliates) together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as “confidential”) or which ought reasonably to be considered to be confidential;
“Connection Agreement”	the agreement between the AR Contractor and the DNO for the connection of the Contracted Anchor Plant to the Local Distribution Network;
“Consents”	means all and any consent, licence, approval, permission, wayleave or other right of whatever nature whether governmental or regulatory in character or otherwise necessary for the provision of by the AR Contractor of Anchor Plant Capability, including where relevant the implementation of the Works;

“Contract Form”	means the document signed by the Parties to which these Service Terms & Conditions are attached;
“Contracted Anchor Plant”	the Anchor Plant identified in the Contract Form;
“Contracted Anchor Requirements”	in relation to a Contracted Anchor Plant, the technical requirements set out in part 5 of the Contract Form;
“Connection and Use of System Code (CUSC)”	the Connection and Use of System Code designed by the secretary of state as from time to time modified;
“Coronavirus”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“Coronavirus Disease”	has the meaning given to it in the Coronavirus Act 2020, as at the date hereof;
“CP Date”	the date falling thirty (30) Business Days after the date of this Agreement;
“CUSC Framework Agreement”	has the meaning attributed to it in the Transmission Licence;
“Data Exchange Protocol”	the protocol agreed between NGENSO and Network Operators regarding the exchange of data;
“Data Protection Law”	any Legal Requirement relating to the processing, privacy, and use of personal data, as applicable to NGENSO, the DNO and AR Contractor, including in the UK: (i) the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any current laws or regulations implementing Council Directive 2002/58/EC; and/or (ii) the General Data Protection Regulation (EU) 2016/679 (“GDPR”), and/or any corresponding or equivalent national laws or regulations, once in force and applicable, including the Data Protection Act 2018, and includes any judicial or administrative interpretation of them, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority;

<p>“Delay Event”</p>	<p>means: (i) any event of Force Majeure that delays the implementation or completion of the Works; or (ii) any failure to schedule a Commissioning Assessment within ten (10) days of the AR Contractor’s notice under Clause 3.3 that is due to any act or omission of NGESO; or (iii) any delay to the implementation or completion of the Works caused by any act or omission of the DNO or NGESO, save to the extent that such act or omission has been caused by, or carried out with the consent of, the AR Contractor;</p>
<p>“De-load”</p>	<p>has the meaning given to it in the Grid Code and “De-loading” shall be construed accordingly;</p>
<p>“Distribution Restoration Zone Plan” or “DRZP”</p>	<p>a plan for the delivery of Restoration Services in a Distribution Restoration Zone;</p>
<p>“Distribution Code”</p>	<p>has the meaning given to that term in a licence granted under section 6(1)(c) of the Electricity Act 1989;</p>
<p>“Distribution Restoration Zone” or “DRZ”</p>	<p>part of the Local Distribution Network which has been energised by Anchor Plant following a Total Shutdown or Partial Shutdown. The Distribution Restoration Zone shall include an Anchor Plant and may also include Top-Up Plant owned and operated by one or more Restoration Contractors;</p>
<p>“Distribution Restoration Zone Control System” or “DRZ Control System”</p>	<p>a combined automatic control and supervisory system which assesses the equipment status and operational conditions of a Network Operator’s System for the purposes of instructing Anchor Plant and Top-Up Plant and operating items of the Network Operator’s equipment for the purposes of establishing and running a Distribution Restoration Zone;</p>
<p>“DNO”</p>	<p>the party identified in the Contract Form as the Network Operator in respect of the Local Distribution Network;</p>
<p>“DR Instructions”</p>	<p>has the meaning given to it in clause 7.1;</p>
<p>“DRZ Operational Working Group”</p>	<p>a working group comprising the parties involved in a DRZP and constituted for the purposes of [implementing and maintaining the DRZP] under [REDACTED];</p>

“Electricity System Restoration”	has the meaning given to that term in the Transmission Licence;
“Electricity System Restoration Standard”	has the meaning given to that term in the Transmission Licence;
“Emergency Instruction”	has the meaning attributed to it in the Grid Code;
“Enhanced Rate”	in respect of any day the rate per annum which is 4% per annum above the Base Rate;
“Escrow Account”	a separately designated bank account in the name of NGESO established by a mandate signed by both NGESO and the AR Contractor at a branch of Barclays Bank PLC or another bank in the City of London as notified by NGESO to the AR Contractor, bearing from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account a reasonable commercial rate of interest which shall be payable to the AR Contractor but mandated for withdrawal of principal only by way of a call by NGESO or by way of payment to the AR Contractor to the extent of any reduction in the amount so secured and mandated for the transfer of any interest accrued to the Escrow Account quarterly to such bank account as the AR Contractor may specify;
“Event of Default”	an event of default specified in Schedule 2 (<i>Events of Default and Consequences</i>);
“Expert”	a person appointed for the purposes of an expert determination under Clause 27.6;
“Expiry Date”	the date falling on the [fifth] anniversary of the Commercial Operations Date;
“External Costs”	the costs incurred by the AR Contractor to third parties in the implementation of the Works more specifically detailed in Part 2 of the Contract Form;
“External Costs Cap”	the maximum amount reimbursable in respect of External Costs as specified in Part 2 of the Contract Form;
“External Interconnection”	the meaning attributed to it in the Grid Code;

<p>“Force Majeure”</p>	<p>in relation to a Party, any event, circumstance or condition which is beyond the reasonable control of such Party (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that Party or its officers or employees, agents, contractors and sub-contractors) which, despite the reasonable endeavours of the Party claiming Force Majeure to prevent it or mitigate its effects, causes delay or disruption in the performance of any obligation imposed hereunder, but subject thereto including act of God, epidemic or pandemic, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightening, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the Act) or Network Constraint provided always that neither: (i) lack of funds, nor (ii) the act or omission of any contractor (unless due solely to an event that would have been treated as a cause beyond its reasonable control if the contractor had been a party to this Agreement), shall be interpreted as a cause beyond the reasonable control of that Party;</p>
<p>“Frequency”</p>	<p>the number of alternating current cycles per second (expressed in Hertz) at which a System is running;</p>
<p>“Fuel Security Code”</p>	<p>the document of that title designated as such by the Secretary of State as from time to time amended;</p>
<p>“Funded Capability”</p>	<p>[in relation to an Anchor Plant, any capability that has been materially enhanced through a Works Contribution Payment;]</p>

“General Terms and Conditions”	Version 2 of the Flexibility Services General Terms and Conditions published by the ENA in August 2021;
“Genset”	(where applicable) a Generating Unit or CCGT Unit within the relevant CCGT Module (as such terms are defined in the Grid Code) specified in the Contracted Anchor Requirements;
“Good Industry Practice”	in relation to any undertaking and any circumstances the exercise of that degree of skill, care and diligence which would reasonably and ordinarily be expected from an experienced operator engaged in the same or similar type of undertaking under the same or similar circumstances;
“Grid Code”	the Grid Code drawn up pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence (and references in these Service Terms to any specific provision or part of the Grid Code shall be construed as references to such provision or part as from time to time amended);
“Grid Supply Point”	has the meaning given to it in the Grid Code;
“Guarantor”	the provider of a parent company guarantee for the purposes of Acceptable Security;
“Guarantor Minimum Credit Rating”	in relation to the Guarantor and where applicable, the credit rating specified in Part 4 of the Contract Form;
“Guarantor Minimum NAV”	in relation to the Guarantor and where applicable, the net asset value specified in Part 4 of the Contract Form;
“Insolvency Event”	means any pre-insolvency, creditor protection, or insolvency related actions, events, processes or proceedings, whether in or out of court, including the following (and any proceedings or steps leading to any of the following): any form of bankruptcy, liquidation, administration, receivership, voluntary arrangement, scheme of arrangement, restructuring plan or other compromise or arrangement or scheme with creditors, moratorium, stay or limitation of creditors’ rights, interim or

	provisional supervision by a court or court appointee, winding up or striking off, or any distress, execution, commercial rent arrears recovery or other process levied or exercised; or any similar actions, events, processes or proceedings in any jurisdiction outside England and Wales;
“Intellectual Property Rights”	all intellectual property, including patents, trademarks, service marks, domain names, business and trading names, styles, logos and get-ups, rights in goodwill, database rights and rights in data, rights in designs, copyrights and topography rights (whether or not any of these rights are registered, and including applications and the right to apply for registration of any such rights) and all inventions, rights in know-how, trade secrets and confidential information lists and other proprietary knowledge and information and all rights under licences and consents in relation to any such rights and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these that may subsist anywhere in the world for their full term, including any renewals and extensions;
“Internal Costs”	the costs incurred by the AR Contractor other than External Costs in the implementation of the Works more specifically detailed in Part 2 of the Contract Form;
“Internal Costs Cap”	the maximum amount reimbursable in respect of Internal Costs as specified in Part 2 of the Contract Form;
“ITT”	has the meaning given to it in the Contract Form;
“LAD Cap”	means a sum equal to the LAD Rate multiplied by 90 days;
“LAD Rate”	means a daily rate equal to the sum of the availability price multiplied by the number of Settlement Periods in the day;
“Legal Requirement”	means any order of a Competent Authority, Act of Parliament, Directive, regulations or

	licence, consent or similar provision issued by a Competent Authority;
“Liability Cap”	five million GB pounds (£5,000,000);
“Licence”	any one or more as appropriate of the Licences granted pursuant to section 6 of the Act;
“Local Distribution Network”	the network for which the DNO is the Network Operator and to which the Contracted Anchor Plant is connected;
“Minimum Availability”	in relation to an Availability Assessment Period, means Actual Availability of the Contracted Anchor Plant of not less than eighty per cent (80%);
“Month”	means a calendar month;
“Monthly Availability Payment”	an amount calculated in accordance with Schedule 3, Part I;
“Monthly Statement”	has the meaning given to that term in clause 10.1;
“National Electricity Transmission System” or “NETS”	has the meaning given to that term in the CUSC;
“Network Constraint”	means a Planned Outage, unavailability of the NETS or the Local Distribution System for any other reason, or restrictions otherwise imposed on the operation of the Contracted Anchor Plant by the Network Operator or the Transmission Owner, which, in each case, prevents the Contracted Anchor Plant from providing the Anchor Plant Capability;
“Network Operator”	has the meaning given to it in the Grid Code;
“NGESO”	National Grid Electricity System Operator Limited, a company registered in England and Wales under company number 11014226;
“Notification of Unavailability”	has the meaning given to it in Clause 6.3;
“Partial Shutdown”	means the same as a Total Shutdown except that all generation has ceased in a separate part of the Total System and there is no electricity supply from External Interconnections or other parts of the Total System to that part of the Total System and, therefore, that part of the Total System

	is shutdown, with the result that it is not possible for that part of the Total System to begin to function again without NGESO's direction relating to a Electricity System Restoration;
"Parties"	taken together, NGESO, the AR Contractor and the DNO;
"Planned Outage"	an outage of part of the NETS coordinated by NGESO under OC2 of the Grid Code or an outage of part of the Local Distribution System coordinated by NGESO under OC2 of the Grid Code and/or the DNO under DOC2 of the Distribution Code;
"Plant and Apparatus"	has the meaning given to it in the Grid Code;
"Power Station"	has the meaning given to it in the Grid Code;
"Project Plan"	the plan setting out the Scheduled Commercial Operations Date and the associated milestones submitted by the AR Contractor as a Condition Precedent, as the same may be varied from time to time in accordance with Clause 3.2;
"Provider"	the AR Contractor;
"Rated Bank"	a City of London branch of a bank with a rating of at least A- (Standard and Poor's long term rating) or A3 (Moody's long term rating);
"Reactive Power"	has the meaning given to it in the Grid Code;
"Relevant Documents"	has the meaning given to that term in Clause 33.1;
"Reproving Assessment"	has the meaning given to that term in Clause 6.4;
"Restoration Service"	has the meaning given to that term in the Transmission Licence;
"Restoration Contractor"	a person with a legal or contractual obligation to provide Anchor Plant Capability or Top-Up Restoration Capability necessary for the operation of a Distribution Restoration Zone Plan;

<p>“Sanctioned Country”</p>	<p>means any country or territory that is the target of comprehensive, country or territory wide Sanctions;</p>
<p>“Sanctioned Person”</p>	<p>means any person (companies, entities or individuals) that is (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, a Sanctions List; (ii) the government of a Sanctioned Country or a member of the government of a Sanctioned Country; (iii) resident in or incorporated under the laws of any Sanctioned Country; or (iv) to the best of the knowledge and belief of a party (having made due and careful enquiries), otherwise a target of Sanctions;</p>
<p>“Sanctions”</p>	<p>means economic or financial sanctions, trade embargoes or restrictive measures imposed, administered or enforced from time to time by any Sanctions Authority;</p>
<p>“Sanctions Authority”</p>	<p>means (i) United Kingdom government, (ii) the United Nations Security Council; (iii) the European Union; (iv) the United States government; (v) the sanctions local competent authority where the deal is executed or booked;</p>
<p>“Sanctions List”</p>	<p>means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by any Sanctions Authority, including, without limitation, (i) the Consolidated United Nations Security Council Sanctions List; (ii) the "Specially Designated Nationals and Blocked Persons" list maintained by The Office of Foreign Assets Control ("OFAC"); (iii) the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service;</p>
<p>“Scheduled Commercial Operations Date”</p>	<p>the date specified in the AR Contractor’s Tender Submission on which the Contracted Anchor Plant is scheduled to complete the Commissioning Assessment and enter into commercial operation;</p>
<p>“Security Amount”</p>	<p>means an amount equal to the maximum amount potentially payable in respect of the Works Contribution Refund Payment at the</p>

	relevant date, including any value added tax payable on such amounts plus, in the period prior to the Commercial Operations Date, an amount equal to the maximum amount potentially payable in respect of LADs;
“Service Term”	has the meaning given to that term in Clause 5.1;
“Service Terms & Conditions”	has the meaning given to that term in Clause 1.1;
“Settlement Days”	has the meaning given to it in the Balancing and Settlement Code;
“Settlement Period”	a period of 30 minutes ending on the hour or half hour in each hour during a day;
“Shutdown”	means in relation to a Generating Unit, the condition of a Generating Unit where the generator rotor is at rest or (where applicable) on barring;
“Start-up”	means, in relation to a Generating Unit, the action of bringing the Generating Unit from Shutdown to Synchronous Speed;
“Synchronised”	the condition where an incoming Generating Unit or System is connected to the busbars of another System so that the Frequencies and phase relationships of the Generating Unit or the System, as the case may be, and the System to which it is connected are identical; “Synchronise” , “Synchronisation” , “Desynchronise” and “Desynchronisation” shall be construed accordingly;
“Synchronous Speed”	that speed required by a Generating Unit to enable it to be Synchronised to a System;
“Target Availability”	means, in relation to the Contracted Anchor Plant and an Availability Assessment Period, the target Availability (expressed as a percentage) as specified in the table set out in Part 7 of the Contract Form;
“Tender”	means the competitive procurement process for Restoration Services undertaken pursuant to the ITT;
“Tender Submission”	means a submission made in response to the ITT;

“Test”	means a Commissioning Assessment, Capability Assessment or a Reproving Assessment (as the context requires);
“Test Parameters and Procedures”	has the meaning given to it in Clause 11.2;
“Test Period”	the period between the start time and the end time of a Test;
“Top-Up Restoration Capability”	has the meaning given to it in the Grid Code;
“Total Shutdown”	means the situation existing when all generation has ceased and there is no electricity supply from External Interconnections and, therefore, the Total System has shutdown with the result that it is not possible for the Total System to begin to function again without NGENSO’s directions relating to an Electricity System Restoration;
“Total System”	the National Electricity Transmission System and all User Systems in Great Britain;
“Transmission Licence”	the licence granted to NGENSO under section 6(1)(b) of the Electricity Act 1989 as amended from time to time, including by the inclusion of the Electricity System Restoration Standard;
“Transmission Owner”	means the owner of that part of the NETS in which the Grid Supply Point associated with the Contracted Anchor Plant is located;
“User System”	has the meaning given to that term in the Grid Code;
“Transmission Licence”	the licence issued to NGENSO under section 6(1)(b) of the Electricity Act 1989;
“Works”	the works described in Part 3 of the Contract Form;
“Works Contribution Payment”	has the meaning given to it in Clause 4.1;
“Works Contribution Period”	has the meaning given to that term in the Part 3 of the Contract Form; and
“Works Contribution Refund Payment”	an amount calculated in accordance with Schedule 3, Part III.

SCHEDULE 2

Events of Default and Consequences

1. Event of Default - Notification of Unavailability	Consequences
<p>Save in respect of a planned maintenance period agreed pursuant to Clause 6.9, failure by the AR Contractor to notify NGENSO that the Contracted Anchor Plant does not or will not be Available (whether evidenced by a Repeating Test or otherwise).</p>	<p>(1) The Contracted Anchor Plant shall be treated as be Unavailable; and</p> <p>(2) Upon the first and each successive Event of Default an Availability Rebate shall become payable by the AR Contractor to NGENSO, being an amount calculated in accordance with Schedule 3, Part I; and</p> <p>(3) Upon the third and each successive Event of Default within each Availability Assessment Period (reduced pro rata for any Availability Assessment Period shorter than twelve (12) months), in addition to (2) above, NGENSO shall have the right to terminate this Agreement by notice in writing to the AR Contractor and the DNO to be served not later than twenty eight (28) days following such third or successive Event of Default.</p>
2. Event of Default - Planned Maintenance	Consequences
<p>In respect of a planned maintenance or inspection period agreed pursuant to Clause 6.9, failure by the AR Contractor to notify NGENSO that the Contracted Anchor Plant does not or will not have the Anchor Plant Capability.</p>	<p>The Contracted Anchor Plant shall be treated as Unavailable during, and there shall be taken into account in the calculation of Monthly Availability Payments those Settlement Periods comprised in, the period commencing at 00.00 on the first day of the planned maintenance or inspection period agreed pursuant to Clause 6.9 and ending at 24.00 hours on the last day of such planned maintenance or inspection period.</p>
3. Events of Default –Failure to comply with DR Instruction	Consequences

<p>Save during a period the subject of a prior notification from the AR Contractor to NGENSO in which the Contracted Anchor Plant is Unavailable, the failure by the AR Contractor to comply with NGENSO's instruction for the initiation and implementation of the DRZP save to the extent:-</p> <p>(a) the instruction requires the AR Contractor to sustain a power output required under Clause 6.2.5 in any Electricity System Restoration for more than the number of hours and the number of sequential starts specified in the Contracted Anchor Requirements; or</p> <p>(b) compliance with the instruction would mean the Contracted Anchor Plant could not keep within its safe operating parameters;</p> <p>(c) (where applicable) the failure was wholly and directly caused by the unavailability of or constraint on the National Gas Transmission System such that the AR Contractor was unable to offtake gas in sufficient quantities at that part of the National Gas Transmission System to which the Contracted Anchor Plant is connected; or</p> <p>(d) the failure was wholly and directly caused by an event or circumstance of Force Majeure.</p>	<p>(1) The Contracted Anchor Plant shall be treated as Unavailable; and</p> <p>(2) An Availability Rebate shall become payable by the AR Contractor to NGENSO, being an amount calculated in accordance with Schedule 3, Part I; and</p> <p>(3) In addition to (2) above, NGENSO shall have the right to terminate this Agreement forthwith by notice in writing to the AR Contractor and the DNO.</p>
<p>4. Events of Default - Failure of Capability Assessment or Reproving Assessment</p>	<p>Consequences</p>
<p>The failure by the Contracted Anchor Plant to pass a Reproving Assessment.</p>	<p>(1) The Contracted Anchor Plant shall be treated as Unavailable; and</p> <p>(2) an Availability Rebate shall become payable by the AR Contractor to NGENSO, being an amount calculated in accordance with Schedule 3, Part I.</p>

<p>The failure by the Contracted Anchor Plant of any Reproving Assessment carried out following failure of both a Capability Assessment and a subsequent Reproving Assessment.</p>	<p>(1) The Contracted Anchor Plant shall be treated as Unavailable; and</p> <p>(2) An Availability Rebate shall become payable by the AR Contractor to NGESO, being an amount calculated in accordance with Schedule 3, Part I.</p> <p>(3) Upon the first and each successive Event of Default, NGESO shall have the right to terminate this Agreement by notice in writing to the AR Contractor.</p> <p>(4) Without prejudice to (3) above, NGESO may (at its option) meet with the AR Contractor to discuss the reasons for failure of the Capability Assessment and the subsequent Reproving Assessment and, subject to the AR Contractor identifying the cause(s) for such failure and demonstrating to NGESO’s reasonable satisfaction that it is able to remove or address such cause(s) before the Expiry Date, NGESO may (in its sole discretion) agree with the AR Contractor a period during which the AR Contractor shall (at its own cost) undertake additional works to ensure that the Anchor Plant Capability is restored (“Additional Works Period”). Where NGESO agrees to an Additional Works Period, NGESO shall only be permitted to terminate this Agreement in accordance with (3) above, where either:-</p> <ol style="list-style-type: none"> 1. the AR Contractor advises that the additional works will not be completed within the Additional Works Period; 2. following completion of the additional works, the AR Contractor fails a subsequent Reproving Assessment.
<p>5. Events of Default – Public Announcement</p>	<p>Consequences</p>

Any breach by the AR Contractor of its obligation contained in Clause 17 (*No Announcement*).

NGESO shall have the right to terminate this Agreement forthwith by notice in writing to the AR Contractor and the DNO.

SCHEDULE 3

Availability Payments and Availability Rebates

PART I - AVAILABILITY PAYMENTS

1. TOTAL MONTHLY PAYMENT

$$TMP_m = BSAP_m - RA_m$$

Where:

TMP_m is the total monthly payment by NGESO to the AR Contractor pursuant to clause 8 (*Service Fees and Rebates*);

$BSAP_m$ is defined in paragraph 2 below;

$RA_m = RAC_m + RABS_m$ as each is defined in paragraph 3 below,

and if TMP_m is negative, then the AR Contractor shall pay to NGESO such amount in accordance with clause 8 (*Service Fees and Rebates*).

2. MONTHLY AVAILABILITY PAYMENT

$$BSAP_m = \sum_{j=1}^{month} BSAP_j * BSAM_j$$

$BSAP_m$ is the aggregate Monthly Availability Payments payable in respect of calendar month m;

$\sum_{j=1}^{month}$ is the summation over all Settlement Periods j in calendar month m;

$BSAP_j$ is the Availability Price for all Settlement Periods j subject to indexation in accordance with Schedule 3 Part IV; and

$BSAM_j$ is 0 in respect of each Settlement Period j in which the Contracted Anchor Plant is Unavailable (including by reason of an Event of Default), or is deemed to be Unavailable in accordance with the provisions of this Agreement, otherwise 1.

3. AVAILABILITY REBATES

3.1 If the Event of Default specified in row 1 (*Notification of Unavailability*) or row 2 (*Planned Maintenance Periods*) of the table in Schedule 2 occurs in month m, an Availability Rebate (RAC_m) shall be calculated as follows:

$$RAC_m = \sum^{EventofDefault} \min((BSAP_j * 480), \sum_{j=1}^{j=x} BSAP_j * BSAM_j)$$

Where:

$\sum^{EventofDefault}$ is the summation over each Event of Default referred to in row 1 or row 2 of the table in Schedule 2; and

$\sum_{j=1}^{j=x}$ is the summation over each Settlement Period j prior to the Event of Default beginning with the Settlement Period in which the Contracted Anchor Plant was last demonstrated to NGENSO's reasonable satisfaction to be capable of providing Anchor Plant Capability in accordance with the Contracted Anchor Requirements.

$$RABS_m = \sum^{EventofDefault} \min((BSAP_j * 1440), \sum_{j=1}^{j=y} BSAP_j * BSAM_j)$$

- 3.2 If the Event of Default specified in row 3 (*Failure to comply with DR Instruction*) or row 4 (*Failure of Capability Assessment or Reprising Assessment*) of the table in Schedule 2 occurs in month m, an Availability Rebate ($RABS_m$) shall be calculated as follows:

Where:

$\sum^{EventofDefault}$ is the summation over each Event of Default referred to in row 3 or row 4 of the table in Schedule 2; and

$\sum_{j=1}^{j=y}$ is the summation over each Settlement Period j prior to the Event of Default beginning with the Commercial Operations Date or, if later, the last successful initiation and implementation of the DZRP in a Electricity System Restoration or a Capability Assessment or Reprising Assessment.

PART II

ANNUAL AVAILABILITY SHORTFALL PAYMENT

1.1. The Annual Availability Shortfall Payment in respect of Availability Assessment Period y ($AASP_y$) shall be calculated as follows:

$$AASP_y = (\sum_{jy} BSAMA_j * BSAP_j) * RFA_y$$

\sum_{jy} is the summation for all Settlement Periods j in Assessment Period y ;

and

RFA_y is a percentage calculated in accordance with paragraph Error! Reference source not found. below.

1.2. The term RFA in respect of any single Assessment Period y shall be calculated as:

$$RFA_y = 0 \text{ if } AA_y \geq TA_y$$

Otherwise

$$RFA_y = \text{Min} [(TA_y - AA_y), 25] / TA_y$$

Where:

TA_y is the Target Availability (expressed as a percentage) as specified in the table in Part 7 of the Contract Form applicable to Assessment Period y ;

AA_y is the actual availability in Assessment Period y and is the percentage of Settlement Periods over Assessment Period y in which the Contracted Anchor Plant has had Anchor Plant Capability (expressed as a fraction) as calculated below:

$$AA_y = \frac{\sum_{j=0}^{12\text{months}} (BSAMA_j)}{SP}$$

Where:

$\sum_{j=0}^{12\text{months}}$ is the summation overall Settlement Periods j in Assessment Period y ;

BSAMA_j is 0 in respect of each Settlement Period *j* in which the Contracted Anchor Plant does not have Anchor Plant Capability (excluding where due to events or circumstances of Force Majeure or where NGESO has approved a period of withdrawal of Anchor Plant Capability pursuant to Clause 6.6), otherwise 1; and

SP is the number of Settlement Periods *j* in Assessment Period *y*.

Part III
Works Contribution Refund Payment

1. The Works Contribution Refund Payment ($WCRP_t$) shall be calculated as follows:

$$WCRP_t = [(WCP_1 + I_1) * f_1] - \sum AASP_y$$

Where: -

$WCRP_t$ is the Works Contribution Refund Payment payable by the AR Contractor to NGESO;

WCP_1 is the aggregate amount of Works Contribution Payments (including VAT thereon) paid by NGESO to the AR Contractor;

I_1 is Interest at the Base Rate calculated on WCP_1 accruing on a daily basis from the date of payment of WCP_1 by NGESO until the date of repayment by the AR Contractor;

f_1 is a factor equal to either:

prior to the date of successful completion of the Works, 1; or

from and including the date of successful completion of the Works:

$$\frac{M_R}{M_T}$$

M_R is the number of whole calendar months remaining until the Expiry Date as at the date of termination or (as the case may be) the date on which the event that triggers the Works Contribution Refund Payment occurs;

M_T in respect of $WCRP_t$, is the total number of whole calendar months in the period from the date of successful completion of the Works until the Expiry Date; and

$AASP_y$ is the aggregate of all Annual Availability Shortfall Payments paid or payable by the AR Contractor to NGESO under this Agreement.

Part IV

Indexation

The Availability Price specified in Part 6 (*Availability Price*) of the Contract Form will be adjusted annually commencing on 1st March 2026 to take account of general price inflation. The index used will be the Consumer Prices Index (CPI) with 2015 = 100 base.

The source of the CPI index is to be the monthly Office for National Statistics Statistical bulletin.

The Availability Price will therefore be increased (or reduced as appropriate) for the period to by the following factor:-

$$CPI_2/CPI_1$$

Where:

CPI_2 is the CPI for the month of March 2026

CPI_1 is the CPI for the month of March 2025

The Availability Price will then be increased (or reduced as appropriate) for the period March 2026 to March 2027 by the following factor:-

$$CPI_3/CPI_1$$

Where:

CPI_3 is the CPI for the month of March 2027

CPI_1 is the CPI for the month of March 2025

In subsequent years indexation will continue in accordance with the above, with always the numerator of the factor representing the CPI of the year under consideration and the denominator of the factor being CPI for March 2025.

In the event that CPI ceases to be published or is not published in respect of any relevant month or it is not practicable to use CPI because of a change in the method of compilation or some other reason, indexation for the purpose of this Part IV shall be calculated by NGESO using an index agreed by the Parties with a view to determining the relevant price after indexation that would be closest to the relevant price after indexation if CPI had continued to be available.

SCHEDULE 4

Commissioning Assessment - Summary Procedure

1. Scope

The precise technical specification for a Commissioning Assessment will be comprehensively set out in a detailed specification to be agreed between the Parties no later than three (3) months prior to the completion of the Works (such agreement not to be unreasonably withheld or delayed) or otherwise determined by the Expert.

2. Purpose

The Commissioning Assessment will aim to demonstrate that with and without external power supplies to all or part of the Power Station the Auxiliary Unit can be independently started and in turn allow the reliable Start-up of the main Gas Turbine Units and Steam Unit in the manner (including without limitation within the timescales) required by the Contracted Anchor Requirements.

3. Specification

a) A full range of commissioning and Plant performance test will be carried out by the AR Contractor to prove that the Auxiliary Unit performs correctly without detriment to the operation of the existing Gensets. The Commissioning Assessment may form part of these tests however they will be considered to be independent from them.

b) The Commissioning Assessment shall be deemed to be passed when the Power Station has demonstrated that it has performed adequately in all the required tests such that all Parties can have confidence that the Anchor Plant Capability could be provided if the situation arose to include installation and commissioning of all communications links to enable the AR Contractor to receive Instructions). It should be noted that performance tests of various types may be conducted after the Commissioning Assessment but these will not affect the ability of the Power Station to carry out an Instruction.

SCHEDULE 5

Mandatory Background Checking Requirements

The AR Contractor shall be required to comply with the following requirements:

1. Introduction & Background

National Grid ESO (the “**Company**”) is committed to delivering operational excellence and the highest levels of security standards. This is achieved by maintaining appropriate security controls and safeguards that cover both internal processes and those elements provided to the **Company** by its supply-chain. The supply-chain partners, contractors, service providers, and suppliers upon whom the **Company** relies, play a key role in the achievement of these goals.

This security schedule represents an abridged version specific to this supplier engagement and as such the **Company** reserves the right to add any additional relevant security clauses should the scope of the assets and/or services being provided change.

Purpose

The purpose of this schedule is to define the security requirements that need to be met by the **AR Contractor** and the relevant sub-contractors used during the delivery and support of products and services to the **Company**.

2. Related Standards

This schedule shall be used in conjunction with all associated contract documentation and ‘Supplier Code of Conduct’, or **AR Contractors** reasonably equivalent own Code of Conduct. A copy of the Supplier Code of Conduct can be found on the **National Grid** website under the Suppliers page (<https://www.nationalgrid.com/suppliers>).

3. Definitions

Product: A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. (Collective term for and may be described as an asset, component, service, equipment, assembly, sub-assembly, design, system or various other terms within a contract or purchase order.)

Service: A form of ‘product’, often associated with a support activity or process

Cyber Asset: Any programmable electronic devices and communication networks including hardware, software, and data.

Externally Facing: Any vulnerability that could be exploited without existing access to the system.

4. Assurance and Audit Requirements

The **Company** requires its supply-chain to provide evidence of compliance with the obligations under this agreement and applicable law, and to demonstrate the controls supporting the confidentiality, integrity and security of the **Company** data and systems.

Therefore, the **Company**, acting by itself or through its agents, shall have the right to undertake the assurance and audit activities detailed below during the term of the contract, and, for a minimum period of twelve (12) months thereafter.

All assessment and audit activities shall be subject to existing confidentiality arrangements between **Company** and the **AR Contractor** and do not extend to accounts and confidential financial information, restricted information under stock exchange listing regulations, information relating to other clients or suppliers, information subject to data protection or confidentiality obligations and similar.

The **Company** and the **AR Contractor** shall bear their own respective costs and expenses incurred as part of the above assurance or audit activities.

5. Pre-Contract Security and Periodic Assurance Assessments

The **Company** operates a risk-based approach to supply-chain security, whereby the level of security assurance and oversight is proportionate to the products or services being supplied, and the potential risks associated. This may include pre-, post-, and end of contract assurance assessments and periodic reporting requirements depending on the risk presented to the **Company**. Upon agreement with the **Company**, evidence may be provided in different formats and methods and the assessment will be performed remotely. The **Company** may request assurance evidence no more than once per calendar year.

5.1. Regulatory Audits

Under statute, rules, regulations, codes of practice/regulatory frameworks, or otherwise, certain government departments and regulatory, statutory, and other entities, committees and bodies (collectively called, "**Regulatory Body**"), are entitled to investigate the affairs of **Company**, including any activities or processes performed by the **Company** supply-chain.

In these circumstances, **Company** agrees to provide evidence of such a Regulatory Body investigation to the **AR Contractor**, and the **AR Contractor** shall cooperate with the Regulatory Bodies in order to respond to such regulatory questions, including any questions related to matters related to the use of open source code.

The **AR Contractor** shall cooperate with the **Company** in order to respond to audit-related questions. This includes any third-party representative that **Company** employs to conduct the audit on its behalf. The decision to use a third party shall be communicated to the **AR Contractor** and shall be mutually acceptable to both **Company** and the **AR Contractor**.

5.2. For Cause Audit

In the event of an actual or suspected security breach, the **Company** may invoke its right to audit, as provided under this agreement, within no less than 48 hours' notice to the **AR Contractor** in order to investigate and review related documentation, facilities, and processes.

The extent of this audit shall be limited to the products/services and the infrastructure associated with delivery of those products/services.

5.3. Security Incident Management and Data Breach

The **AR Contractor** shall cooperate with the **Company** to resolve security issues and support **Company** with any notifications to governmental/administrative entities, as required by Law.

Note: all associated information security incidents and data breaches impacting the **Company** data or services shall be reported to the **Company** Cyber-Response hotline without delay:

-
- Call +(44) 1214248204
- Or send an email to cyberresponse@nationalgrid.com.

5.4. Security Management Systems

The **AR Contractor** shall maintain an overarching organisational security policy and supporting security management systems, that ensures the products or services supplied to the **Company** conform to the requirements within this schedule, and all relevant legislative requirements applicable to **AR Contractor**.

5.5. Data Security

Where **Company** information is held by the **AR Contractor**, it shall be encrypted to protect the confidentiality, integrity, and availability of their information at rest, during transmission, and in-use to prevent unauthorized disclosure and modification.

5.6. Vulnerability and Patch Management

The **AR Contractor** shall have threat and vulnerability management policies, processes, and systems and undertake vulnerability scans of **AR Contractor** information systems at least quarterly based on risk, to prevent the exploitation of system control weakness, security breaches, and information systems and connected operational technology outages. Information systems are defined by National Grid's definition of a "Cyber Asset" as per Section 3.

The **AR Contractor** shall remediate identified threats and vulnerabilities via the implementation and tracking of security patches. Patches shall be tested prior to release and implementation into production.

5.7. Code Security and Stability Testing

Where the **AR Contractor** is providing software, they shall, prior to release for customer download, conduct code security testing using an approved internal team or, at its own expense, an independent third party, in order to ensure the code operates as designed and is secure.

5.8. Business Continuity

In relation to **AR Contractor** products and support, the **AR Contractor** shall have business continuity plans that detail how operations will be maintained during an unplanned disruption in service. This shall include contingencies for business processes, assets, human resources, and business partners, and cover key information, system, and services.

Continuity plans shall be approved by senior management and reviewed/tested every 12 calendar months at a minimum.

SCHEDULE 6

Notification Formats

Provider Name	
Station	
Unit(s)	
Telephone Number	
Date	

NOTIFICATION OF NON-CAPABILITY AND RESTORATION OF CAPABILITY FOR ELECTRICITY SYSTEM RESTORATION – ESR (BLACK START)

	TIME (hrs:mins)	DATE (dd/mm/yy)
COMMENCEMENT OF NON-CAPABILITY		
COMMENCEMENT OF PARTIAL AVAILABILITY		
*ESTIMATED TIME/DATE OF RESTORATION		
TIME/DATE OF RESTORATION		

* Indicate estimated time/date of restoration and re-notify actual time/date of restoration when known using table above.

Please tick this box if the unavailability is a part of the stations scheduled maintenance days

REASON FOR NON-CAPABILITY

*This agreement can be withdrawn at any time by NGENSO and the contract parameters reinstated.

Please email the completed form to ctr1.ccta@nationalgrid.com
